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The Nation's Business

Experts Discuss Price of Gold

Employment Commission Issues Interim Report

Chibougamau Again in Spotlight

Ontario Politicians Confuse Branch Plant Question

Gold Scare "On the Shelf"

IN THIS issue The Financial Post publishes a striking dictum on the future of gold by the internationally famous economist, Sir George Paish. Sir George reviews the uncertainties in currency and monetary matters that now exist and suggests that a reduction in the present price of gold is essential to world stability.

In view of the far-reaching implications such a policy would have (especially as far as Canada is concerned), The Post has obtained for publication at the same time, the views of some outstanding Canadian bankers, economists and observers. Not only have these men been unanimous in expressing a view contrary to that of Sir George, but in almost every instance they have permitted their names to be used publicly.

The resulting survey is therefore one of the most important that has as yet appeared on this subject. It is important in the variety and breadth of viewpoint given by the various contributors. It is also important because of emphasis given to the view expressed in The Post many times in recent months—namely, that the gold scare has definitely been put on the shelf for the time being.

* * *

Purvis Report Demands Action

AFTER four months of inaction, the Federal Government has published an interim report of the activities and recommendations of the National Employment Commission. The report is an extremely informative and important document. It should be closely studied by every thoughtful student of Canadian affairs—by every businessman who wants to read a clear businesslike review of the major problems facing this country at the present time.

It is brief, to the point, and never hesitates to call a spade a spade. It is a crisp, straightforward document such as any business executive likes to have on any subject in which he is interested. Its major recommendations are summarized elsewhere in this issue.

* * *

WHAT it does is to clear away the veil of secrecy that has surrounded many of the most important jobs tackled by the commission in the past year. It discloses, for example, that in seven important matters tackled by the commission no action has been taken as yet by the Government. Every recommendation to the Government is listed chronologically with the date on which it is made. Alongside is a brief notation as to what action if any has been taken by Ottawa and on what date. Clearly a new departure for official government documents.

The commission's recommendations to end the relief racket in Canada were made, for example, between March 20 and 25 last—yet no action has been taken except what was contained in a statement released by Hon. Norman Rogers along with the report last week. Mr. Rogers merely said that the Government had "approved" the commission's recommendations. He gave no indication as to how or to what extent the Government was willing to implement this approval.

Similarly, the commission's report shows that a low-cost housing plan, which it was believed would bring recovery to the construction industry, was recommended to the Government on Feb. 10. So far, no action of any sort has apparently been taken by the Government either to approve or reject the proposal.

* * *

THE question may fairly be asked:

"In issuing this report with an accompanying statement of 'approval' is Ottawa merely smothering the unfinished work of the commission with faint praise?"

Perhaps the answer lies as much with the Canadian public as well as with Ottawa.

For Arthur B. Purvis, chairman of the commission, is a businessman—a man used to direct speech, quick action. He has given the country a programme of what he believes to be necessary to solve our unemployment and relief problems—a programme that is essentially a clear-cut, well-reasoned approach rather than one which has a spectacular political appeal.

He has put this programme clearly before the Government which asked him to tackle it in the first place.

But governments are not essentially business-minded. They look at problems through political spectacles.

* * *

TWO things should follow from the publication of this document. First, the Ottawa Government should state in unmistakable terms

(Continued on page 2, col. 3)

Ottawa Hedges On Wide Plan For Workless

Purvis Board Seeks Action to Get at Root of Trouble

PROOF OF NEED

From Our Own Correspondent

OTTAWA.—Political versus business viewpoints are thrown sharply into relief by publication last week of the interim report of Arthur B. Purvis's National Employment Commission.

Thus Ottawa was treated to the unique spectacle of an official document which listed the recommendations of this body and which ticked off against each item what action (if any) had been taken by the Government.

In all there were 27 recommendations made by the commission during its first year. Of these, 15 were approved by the Government; 2 were rejected and 3 partially approved. Against the remaining 7 items appear the words: "no action taken." Some of these recommendations were made to the Government as long as six months ago.

Difference of Approach

Here then is an instance of the difference between the businessman's approach to the solution of an evident problem and the politician's attitude toward measures which threaten repercussions.

For example, Mr. Purvis—reputed to be Canada's highest paid business executive, but the lowest paid Federal employee (he serves as chairman of the commission on a purely voluntary basis)—would end relief abuses at once by a six-fold series of recommendations which were made to the Government on March 20 and 25 last. But almost half a year has passed, and while the Minister of Labor in a statement issued last week has declared the Government to be "in accord" with all of them, only a part has been enforced.

Only last week was any indication given by the Government that this plan to end relief racketeering in Canada would be carried through. The Minister's statement, released at the same time as the report, indicates the Government has "approved" the relief recommendations and "is framing its policies accordingly." The statement would seem to be of major importance in respect of relief operations in Canada, but raises the obvious question: "When will Federal authorities attempt to apply these recommendations?"

Proof of Need

Guiding principle in the Purvis plan is that "proof of need" shall be the basic condition to a province securing Federal assistance, to a municipality securing provincial assistance, and to an individual securing municipal assistance. The basis on which such grants shall be accorded is laid down as follows:

(1) Financial necessity of the province, in so far as the Dominion is concerned, and of the municipality, in so far as the province is concerned, shall have been proved;

(2) All applications shall be accompanied by estimates of costs of different kinds of need for which aid is being granted in all municipal and territorial units;

(3) Administrative practices shall be acceptable;

(4) Standards of aid shall be acceptable;

(5) Co-operation shall be guaranteed to the Dominion in carrying out registration, pre-audit, and other essential investigations.

(6) The same principle, i.e., the proof of need, shall carry through to the conditions made by provinces to municipalities and by municipalities to aid recipients.

Abolish Grants-in-Aid

In other words, the present system of a lump sum grant-in-aid by the Dominion to each province, which has been costing the Federal Treasury as much as $50,000,000 annually since it was instituted, should be abolished forthwith. And in its place, in the opinion of the Employment Commission, should be established a system which would make every dollar paid out in aid the subject of a careful investigation by the municipality of the individual case toward which it is disbursed. That is to say, unemployment in itself should not have a premium placed upon it by entitling the individual involved to an automatic allowance from the state.

This recommendation was made by Chairman Purvis and his associates in March. To what extent has the Government endeavored to follow it?

Beginning Made

It can at least be said that a beginning has been made. The provinces have been notified that they must submit an itemized budget in

(Continued on page 2, col. 3)

Smelters Tactics Confusing Public

Mill Possible For Chiboug

Warren Feels Operations In Area Should Combine

There is the making of a major mining operation in the Chibougamau district of Quebec, according to an opinion publicly expressed this week by J. J. Warren, president of Consolidated Mining & Smelting Co. of Canada. But in order to provide sufficient ore for a concentrating mill and smelter it would be necessary to combine the properties in the area, he felt. Seven years' ore should be in sight to justify construction of a mill and smelter. These reserves had not yet been uncovered at Consolidated Chibougamau, but over the entire area the situation would be more interesting.

E. G. Montgomery, in charge of Smelters' eastern development work, probably referred to the building of a concentrating mill and smelter in informing A. O. Dufresne, director of the Quebec bureau of mines, that the Consolidated Chibougamau development did not justify any expansion of operations, Mr. Warren believes. Power could be obtained with little trouble from one of the hydro companies now operating in Quebec, the Smelters president thinks.

It will be necessary to reorganize the company before operations are resumed at Consolidated Chibougamau. Smelters plans to issue a comprehensive report on the property by the freeze-up, summarizing development work to that time, and when published this report will give complete data on the operation.

In a subsequent statement Mr. Warren confirmed previous information that while underground work had not confirmed diamond drilling indications they had justified further development. He felt that the different interests should combine to provide a smelter and possibly a railroad.

"The Chibougamau Co.," he said, "has no debts that I am aware of except current bills and the ore will not deteriorate by some months of waiting while further plans are being considered."

Doubt in Chibougamau Situation Upsets Confidence

From Our Own Correspondent

MONTREAL. — Announcement of the decision of Consolidated Mining and Smelting Co. to suspend operations at the Cedar Lake property of the Consolidated Chibougamau Goldfields Ltd. came as a distinct shock to shareholders of the latter company and reasons for the decision are somewhat obscure.

Although a week has passed since the announcement was first made, Consolidated Smelters, which has virtual control of the company through ownership of about 45% of the outstanding stock and an agreement covering operations at the property, has given no intimation as to the reasons behind its decision or what the future plans for the property are. J. J. Warren, president of Consolidated Smelters, has intimated, however, that the suspension of operations may only be temporary and that a reorganization of the capital structure of the company may be necessary. It seems, however, that a detailed statement will not be available until W. M. Archibald, vice-president in charge of mines, returns to his office at Trail, B.C. In the meantime, shareholders are to be left in a quandary.

Company Not Notified

More serious than the failure of Smelters to make public a statement giving full disclosure of the situation to the public is its failure to even give Consolidated Chibougamau Goldfields, the company which owns the property, official notice of its intention. Directors of Consolidated Chibougamau, other than those representing Smelters, claim they were not consulted and at the time of writing the company has received no official notice of Smelters' plans. A. H. McKay, president of Consolidated Chibougamau, tells The Financial Post that the only notice which he has received to date is a copy of the letter which was sent to A. O. Dufresne, director of mines for Quebec, which stated that the property would be closed down at "freeze-up" because "developments do not justify any further expenditure." The bureau of mines, according to Mr. Warren, was advised of this decision because of the Government's plans for completing construction of a road into the area.

Mr. McKay, when questioned by The Financial Post, stated that the

(Continued on page 2, col. 5)

Business on Prairies Rises to 1928 Level

Railway Head Reports General Improvement in West

Despite droughts, business in Canada's three Prairie Provinces this year promises to be the best since 1928. Retail sales are improving steadily and total farm revenue is expected to be the highest in the last eight years. This opinion, expressed in The Financial Post early in the month, is confirmed this week by S. J. Hungerford, head of the Canadian National Railways, after an extended tour.

Says Mr. Hungerford:

"Business conditions in the West are better than they have been since 1928 and some industries are ahead of that peak year in volume of business. This general situation should be gratifying to Canadians in every part of the Dominion as it indicates steady progress toward prosperity. Business and industrial leaders all reported an increasing volume of trade and excellent prospects for the future. The lumbering, newsprint, and mining industries are in the best shape I have ever found them."

Even in southern Saskatchewan where almost complete wheat crop failure has been suffered, Mr. Hungerford found the average citizen cheerful. Of these hard-hit growers he states:

"They are a courageous people and I found but little sign of discouragement among them. Strange as it may seem, despite the unfortunate crop situation the volume of retail trade in that section of the country is reported as higher in some instances than last year."

This reversal of reports coming out of the West in mid-July is due, observers agree, to the arrival of late and copious rains. Though too late to save a considerable portion of the wheat crop in the driest areas, they added at least 60 million bushels to wheat crops in Alberta and northern Saskatchewan, and wheat is worth good money this year.

In addition they put new life into oats and barley on which farmers will be feeding dairy cattle and other livestock this fall and next winter, and they revived shrivelled pastures and gardens. Instead of being on relief for butter, eggs and potatoes, many farmers in the drought areas will now be in a position to feed themselves and some will have saleable surpluses as well. There will be immediate relief to hard-pressed municipal governments and to merchants.

In western Manitoba, southern and central Alberta, thousands of farmers are now harvesting wheat crops of 10 to 15 bushels per acre, worth at the farm well over $1 a bushel. Six weeks ago, these same men despaired of a crop worth cutting. Alberta and Manitoba as a whole expect fair to good yields and the most profitable grain crop since before the depression.

Ontario Steel's Profits Greater

A substantial increase in net profits for Ontario Steel Products Co. in the year ended July 30, 1937, brought earnings per share on the 7% preferred to $28.27 a share, compared with $16.60 in the previous year. After deduction of a full year's dividend requirements on the preferred, the balance available for the common was equal to $1.48 a share in the 1936-37 fiscal year compared with 67 cents a share in the previous period.

All arrears of dividends have now been paid off on the preferred, with the last payment made on Aug. 15, 1937.

The company received $39,763 from life insurance on the late general manager when he died during the past year. Fixed assets are shown at $1.5 million against which there is a depreciation reserve of $795,537. The mortgage was reduced by $10,000 in the year to $115,000.

Directors Considering Chas. Gurd Dividend

From Our Own Correspondent

MONTREAL. — Sales of Charles Gurd & Co. for the fiscal year to date have shown a substantial improvement, according to a statement released by President A. McA. Murphy. An exceptionally favorable summer from the weather point of view, has been reflected in an increased volume of business.

In connection with dividend possibilities on the common, it is probable that the matter of an interim payment in December, at least as good as that paid last year, will be taken up at the November board meeting. Business showing at that time will determine the amount of the payment.

Highlights

Ontario Mines

Production figures for the first two quarters of 1937, released by the Ontario Department of Mines, show higher values than in 1936. Page 14

Ottawa-Berlin Pact

German business opinion well pleased with working of Canadian-German trade agreement. Page 16

Bar Association Head

Senator J. W. DeB. Farris is the first British Columbian to head the Canadian Bar Association. Page 10

Workers' Leisure Increases

Tendency among Canadian employers is toward shorter working hours and holidays with pay. Page 8

Restore $20 Gold

Sir George Paish says that this should be done but comment from United States and Canada is opposed. Page 9

Part Interest for Colombia

Negotiations are now under way which are expected to result in holders of Republic of Colombia bonds receiving some interest. Page 3

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See Possible 80 Millions Wheat Export

Weekly Shipments About Million Bushels at Fair Premium

DURUM IS WORRY

From Our Own Correspondent

WINNIPEG. — Based on average estimates of current crop and allowing for carryover from the crop year just closed, it is estimated that Canada will not have more than 80 million bushels of wheat available for export this year. This compares with an actual export of about 200 millions for the year closed July 31 and an average yearly shipment of about the same amount for the seven preceding years.

Wheat crop estimates for western Canada continue to run mainly between 150 and 160 million bushels, with probable production in other parts of Canada about 20 million. Domestic requirements in Canada are usually put at 115 million bushels. The latter must be reduced this year to not much more than 100 million bushels, for the usual figure allows for feed wheat consumed on farms where grown. Many farms will produce nothing this year.

The picture of the probable wheat trade this year runs about as follows:

Wheat Supply

	(Bushels)
Carryover, July 31, 1937	37,000,000
Western production hard wheat	125,000,000
Western production durum	25,000,000
Wheat production elsewhere in Canada	20,000,000
Total	207,000,000
Distribution	
Minimum carryover, 1938	30,000,000
Domestic requirements	100,000,000
Maximum for export	77,000,000

Total exports and 1938 carryover of course may be made up of a varying amount of durum wheat. This is largely used for macaroni and lacking a market in United States this fall, the most likely outlet will be Italy. So far, the demand has been small and the discount of this type considerable. A few years ago, due to shortage in United States there was a stiff premium of Canadian durum which was exported across the line.

See Fair Premium

Broomhall suggests that Canada this year will export a total of 67 million bushels. A reasonable expectation is that weekly shipments overseas of Canadian wheat and flour will not fall much below one million bushels weekly, and that they will seldom rise as high as two million bushels during the crop year.

Because of the comparative scarcity of Canadian wheat this year and its recognized high mixing value, a reasonable premium over world prices may be expected. Such will probably prevent, however, weekly shipments from rising to any great level. Past experience suggests that something like one million bushels weekly can be exported at fairly substantial premiums, but that the market would not sustain premiums that would prevent at least that quantity being marketed.

Steel Wares Plan Favored

Directors Approve Terms of Proposal for Arrears Payment

From Our Own Correspondent

MONTREAL.—Directors of General Steel Wares have approved the general terms of plans to satisfy arrears of dividends on the company's preferred stock. Details of the plan are reported to be in the hands of the company's legal advisers and it will probably be the middle of September before they are put into final form for ratification by shareholders.

When General Steel Wares was organized in the fall of 1927, $4.5 millions of 7% preferred stock was put on the market. Dividends were paid regularly up to Feb. 1, 1931, after which date shareholders were advised that they would be discontinued until business conditions improved.

Financially the company is not in a position to pay out any large sum on arrears and it is anticipated that the proposed plan will provide for the issuance of stock in lieu of cash. Further, it is believed that the coupon rate on the preferred will remain unchanged at 7%. Just how large a proportion of the common stock equity will be handed over to the preferred shareholders is not known, but one report has it that they will receive approximately one-third of the equity and certain voting rights.

Textile Spotlight

Bitter labor disputes in recent weeks have focused attention on the textile industry.

Next week The Financial Post will publish its annual survey of this major industrial group in which there is invested something over $325 millions.

This special study will not only review the labor situation with its possible effect on earnings and business prospects; it will delve also into some of the long term problems of styles, new materials and so forth that have such an important bearing on individual companies.

Next week in The Financial Post.

Aberhart Opposition Seen As Alberta Election Nears

Social Credit Offensive Falters Under Attack

From Our Own Correspondent

EDMONTON.—Terms of a drastic moratorium were approved Tuesday afternoon by the Aberhart cabinet after a three-day delay due to absence of several ministers.

As explained by Premier Aberhart, the moratorium will apply to all corporation debts, that is, mortgage and insurance companies and banks, leaving private debts covered by the Debt Adjustment Act. The purpose, according to the Premier, is to prevent the flight of funds from Alberta, and retain in the province income deriving from the current harvest. The moratorium period is six months.

The moratorium was regarded as inspired by C. H. Douglas, Social Credit founder, and his agent in Alberta, G. F. Powell, both advocates of drastic steps to conserve income and purchasing power in Alberta and of steps to inflict severe penalties on financial interests.

Some observers hold the view that the moratorium is mainly a smoke screen designed to cover more drastic legislation soon to be introduced. Bankers point out, for instance, that they were not seriously inconvenienced by earlier legislation of this type.

Second Agent Goes Home

L. D. Byrne, Douglas's second agent in Edmonton, left Monday for England, ostensibly to report to Douglas. He said his leave from his employer, believed to be an insurance firm in Birmingham, had expired. He retained his title as one of Alberta's temporary credit commissioners. No hint was given whether or not he would return, but it was believed unlikely he would.

Disallowance by Ottawa of Alberta's banking statutes delivered a knock-down blow to the Aberhart Social Credit programme, the full effect of which was not recognized immediately by his supporters.

Premier Aberhart's response to disallowance was that Alberta is "going ahead" with Social Credit, but the full fervor and enthusiasm engendered as the disallowed acts were passed by the provincial legislature 11 days before, was considerably sobered.

Election Seen Coming

Speculation on an election, as Mr. Aberhart's next course, dominated gossip in political circles. But the cabinet decided to call in the members for another special session—the fourth sitting of the house this year.

Against the growing conviction that an election was Mr. Aberhart's only way out and would come sooner perhaps than present signs indicated, the premier and his cabinet were known to hold the intention of avoiding it.

The overwhelming effect on the Aberhart programme, of the definitely established fact that Ottawa will brook no provincial interference in banking was covered only thinly by his declaration he was going ahead.

In general, the line likely to be followed by the Aberhart Govern-

(Continued on page 2, col. 4)

Non-partisan League Now Boasts More Members Than Social Credit Party

From Our Own Correspondent

EDMONTON.—Among the people in Alberta who do not want an election are Premier Aberhart, every one of his ministers, and all the Social Credit private members of the Legislature. But the conviction that Alberta is heading for an election campaign is held so widely that any street corner conversation, if overheard, would likely be found to be a discussion of the probable voting date.

So persistent are rumors of an election in October or November, one wonders if a hint has not been dropped to Social Credit workers to be prepared. At the same time, Mr. Aberhart has said there would be no election, and Social Credit M. L. A.'s are opposed to it.

Social Credit Going to Seed

Observers who have been looking over the situation, with an eye on the election possibility, have come to the conclusion that the Aberhart party may not be the tough proposition for its opponents that it has always seemed.

People's League Booming

The People's League, a year-old, non-partisan organization, reports 55,000 paid-up members. That exceeds the total the Social Credit party, with all its propaganda and preaching, has been able to sign up in three years.

Still another factor—this year's assault on the banks—is fairly generally agreed to have been a dud for rousing rural enthusiasm, compared with the high excitement for Aberhart that existed last year when his debt reduction measure went through. The banks may suffer unpopularity in Alberta, and a politician may find many hearers as he attacks them, but the proposition that the banks can be made to hand out the funds to finance Social Credit is straining public credulity too far.

In any estimate of political forces in Alberta, Social Credit must still be reckoned powerful. The party secretary claimed recently to have 50,000 paid members. Last winter, the annual convention heard the total was 33,000. There is some ground for belief that many memberships have become inactive.

In many details, the picture is still obscure in Alberta in regard to opposition formations likely to battle the Government in the next election.

E. L. Gray, Liberal leader, laid down a policy last June designed to widen his party into a vehicle for all moderate opinion. He has not made a great deal of headway with his intention yet, due to a number of factors, not least of them being the fact that many non-Liberal moderates have not yet reached the stage where they are willing to join up. Mr. Gray is not yet well known to the public. His first attempts at fusion meeting frustration, he still remains the most likely popular leader against Aberhart.

A stir was caused when John I. McFarland, Calgary, former wheat board chairman, was mentioned as possible fusion leader. Mr. McFarland admitted he had been "approached." If an organization is forming behind him, it is not yet ready to appear in the open.

Odds Favor Gray

The odds therefore favor Mr. Gray in the right wing and moderate section of political opinion. E. Leslie Gray is 42 years of age, and since 1935 has been manager of the Eastern Irrigation District, Brooks, Alta., and is credited with putting this project on a paying basis. He was deputy minister for municipal affairs under the Reid Government.

The U.F.A. remains a factor in Alberta, though last winter its membership had sunk to an all-time low of 6,000. Chief interest in the U.F.A centres around its probable decision next winter on whether or not it stays in politics. The answer will be "Yes," if previous annual conventions are a guide. The U.F.A. retains a fairly good rural organization, that would be an asset to the C.C.F. if the U.F.A. became non-political. U.F.A. membership is reported rising

C.C.F. Widens Scope

The C.C.F. is under the leadership of an experienced campaigner and political strategist, William Irvine, once a U.F.A. member of parliament. Mr. Irvine has devoted most of his time since Social Credit took office, in building up the C.C.F. He has widened the scope of the party a great deal, and created an organization likely to make some impression at next election.

The possibility that any of the left wing parties may reap a harvest from an Aberhart collapse rests on the assumption that the mass of Social Credit voters, under disillusionment or attracted by new promises, may transfer allegiance to them. This, in short, is the main hope of the C.C.F. It is a factor on which U.F.A. circles are counting. The Communists have the same dream, and have a full force of organizers in the province, making hay against the eclipse of Aberhart.

Budget Balance Seen Despite Drought Relief

Federal Finances Show Improvement So Far This Year

From Our Own Correspondent

OTTAWA.—The Federal Government's initial appropriation for drought relief in the western provinces, it is learned reliably, will be $15 millions. The final figure, however, is expected to run possibly twice this amount. The huge expenditure will be necessary to maintain the people and livestock in the stricken districts, to provide seed for another sowing, and to carry out an enlarged programme of remedial works based on the past season's disastrous experience.

Notwithstanding the prospect of this major and unforeseen drain, the outlook for the balancing of the Federal budget in the current year is regarded on Parliament Hill as still within the bounds of possibility. With revenues up approximately $36 millions and expenditures down more than $26 millions for the first four months of the fiscal year, as compared with the first four months of 1936, the treasury position shows a total improvement of some $62 millions for the first quarter alone.

By many officials this remarkable showing, despite the fact that the income tax revenue comes in largely in the months already passed, is looked upon as an excellent augury for a budget balanced on all counts when the firscal year ends.

Sales Tax Showing

While all revenues are up, with hardly an exception, the star performer in the treasury's showing is the sales tax, which is up approximately $14 millions, from $39 millions to $53 millions. As the rate of the tax was unchanged in the last budget, the increase reflects directly the improvement which has occurred in Canadian business.

The income tax is increased by a similar amount, from $72 millions to $86 millions, but as a larger percentage is being paid this year in the first installment, the comparison is not wholly accurate. Customs revenue is up from $26 millions to $31 millions, excise duties are up from $15 millions to $17 millions, and post office revenue is increased from $9 millions to $10 millions.

On the side of disbursements, lower relief costs account for a decrease of $6 millions in the four-month period, but the principal saving is accounted for by withdrawal of the Dominion from wheat marketing operations. Last summer the Government charged up a loss of $13 millions against the Federal Wheat Board. This year there is no corresponding entry.

Anticosti Island Sale Discussed

From Our Own Correspondent

MONTREAL. — Informal negotiations have been conducted for possible sale of Anticosti Island, owned by Consolidated Paper Corp., it is reliably learned. So far, however, no definite offer has been put forward, and no tentative price suggested which Consolidated regards as adequately approximating the value of the property. The company is said to be willing to sell but not at a bargain price.

The island, in the Gulf of St. Lawrence, covers 3,100 square miles and is estimated to contain 15 million cords of pulpwood, or almost one quarter of total estimated pulpwood resources held by the company.

Dosco Buying Another Plant

Graham Nail and Wire Fifth Acquisition in Ontario

From Our Own Correspondent

MONTREAL.—Extension of the market for its products in Ontario is given as the reason for the purchase of Graham Nail and Wire Products Ltd., Toronto, by the Dominion Steel & Coal Corp.

All the outstanding common stock of the company, which heretofore has been a private enterprise, has been purchased by Dosco.

According to Arthur Cross, president of Dosco, "there is no connection between the present deal and the recent purchase of the four United States Steel Corp. subsidiaries at Ojibway, Ont. It is just a good opportunity for expansion. The Graham company distributes wire and flat steel products for which raw material from Dosco's Sydney, N.S., plants is used."

All five purchases, however, are said to be part of Dosco's plan for extension of its manufacture of consumer steel products and expansion of the domestic market for primary steel products from its plant at Sydney, N.S. For years Dosco has been handicapped by its lack of outlets in Ontario's highly industrialized areas, which is Canada's premier market.

May Attempt to Organize Alberta Bank Employees

From Our Own Correspondent

EDMONTON.—Social Credit plans for taking control of banking policy were apparently fairly far advanced when the Alberta banking statutes were disallowed by Ottawa.

The decision, it is reported, was about to be announced that the Social Credit section of the proposed local directorates would consist of three members for northern and three for southern Alberta. Under the act, the banks would have been required to name two directors to make a full board, either for the whole province, or for any separate district, or for each bank branch.

George F. Powell, "expert," sent to Alberta by C. H. Douglas, had held one meeting with bank employees and expected to have more. He met three members of an Edmonton bank staff, and suggested they be formed into a union or guild. He argued that when the province assumed control of banking policy, the employees should be placed on a professional status. The manager of the branch in question was advised of his plan to meet staff employees, and did not take objection to it.

Despite disallowance, it is indicated that organization of bank employees may still be sought by the Alberta Government. Mr. Powell was known to have prepared a form of registration.

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Montreal Stock Values Ahead

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and the Montreal Curb Market had a total value of $8,474 millions as at the end of July, 1937, an increase of $380 millions from the previous month when values totalled $8,093 millions. Compared with the end of July a year ago the total value showed an increase of $787 millions.

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REO MOTOR COMPANY OF CANADA, LIMITED

TORONTO (Leaside) CANADA

The Nation's Business

(Continued from page 1)

its position on the commission's proposals that have not yet been implemented. This should be done immediately, for no time must be lost if we are to take advantage of improving conditions and seize the opportunities that currently present themselves in this field. The matter is of such prime national importance that Premier Mackenzie King might well devote a special nation-wide broadcast to this matter. To wait until Parliament reconvenes would be to add insult to the injury that delay has already inflicted.

Second, there must be concerted pressure from all parts of Canada on the part of those who believe a plan such as that suggested by the Purvis Commission is essential to a speedy and permanent settlement of these very pressing problems.

• • •

WHEN the Government appointed the Purvis Commission a year ago it indicated its willingness to seek a sound and thoroughgoing programme for Canada's relief and unemployment programme. It has now obtained the answer but so far has shown little courage in taking the advice given.

The next move is clearly up to Ottawa to implement these recommendations. Whether this move is made or not, there should be insistence from every part of Canada that under no circumstances shall the report be pigeonholed.

• • •

Black Mark For Smelters

ONCE again Consolidated Mining & Smelting Co. has allowed a black mark to be chalked against its name. This time in regard to its handling of publicity in connection with the Consolidated Chibougamau Goldfields Co.—a property into which Smelters has poured upward of a million dollars and in which it owns a 45% interest.

The facts of the case appear to be that a Smelters' director dropped in to the Chibougamau office one day last week and left a copy of a letter that had been sent to the mines department at Quebec, informing them that the company would close down its Cedar Bay property between now and freeze-up time. The letter had been sent by Smelters because of a possible effect on a provincial road building programme in that area.

According to information given The Financial Post, the president of Chibougamau, A. H. McKay, without any subsequent enquiry (it is said to be the first he had heard of the intention of the company to take this action), sent a copy of the letter to the Montreal Curb where the shares were listed. Somewhat later, similar notice was apparently sent to stock market officials in Toronto.

In one day the shares slumped from around the dollar mark to as low as 40 cents with a terrific volume of sales—mostly, it is reported, from Montreal, although the actual transactions took place on the Toronto board.

• • •

NO IMMEDIATE denial of the advice contained in the letter was forthcoming from Smelters' officials and J. J. Warren, president of the company, stated nothing more could be said until the return of another officer of the company from Athabaska. Subsequently, Mr. Warren has issued at least two interviews to press representatives which have smoothed over the whole affair and have put the incident in quite different light than was the case when the blunt statement was issued last week.

Unfortunately, this is not an isolated instance where, to say the least, officials of Consolidated Smelters have shown what amounts almost to stupidity in the public treatment of properties in which they are connected. In this particular case, common sense alone should have indicated that the proper course to pursue was the issuance of a complete and frank statement of affairs from the president of either company rather than a series of half-baked announcements such as were published last week.

• • •

U. S. Industry Welcome in Canada

THE Ontario election campaign has already produced some very loose talk about the place and status of American industrial investment in this country. Newspaper headlines this week charge Hon. W. Earl Rowe with accusing Premier Hepburn of offering Canadian labor to American millionaires at low wages; with sacrificing Canadian workmen on the altar of international finance.

Neither Ontario nor Canada need be ashamed of the billions of dollars that have been invested in this country by American industry and capital. Some of the finest plants, offering the best working conditions and the highest wages are those that have been established here with foreign capital. Mr. Rowe recognized this at one point in his speech when he said:

> "American capitalists are free to come in here and build factories, and employ Canadian labor."

• • •

LABOR is, of course, a vital ingredient in the branch plant recipe. Sound labor policies such as have been observed in Canada, and especially in Ontario in recent months, are therefore of considerable importance. Also it may be that where wages have been raised to uneconomic levels in the United States by reason of the Lewis dictatorship that a corresponding advantage is therefore gained by Canada. Not because Canadian wages are too low, but because the pendulum in the United States has swung momentarily too far in the other direction.

In the long run the important factor in Canadian labor policy which will attract capital and industry from the United States is the assurance that labor racketeering such as is currently sweeping that country is unwelcome and outlawed in this country.

Most provincial election talk is for domestic consumption. It would be unfortunate if the impression were to get abroad that this country did not welcome American industrialists of the type that have contributed in large measure to our efficiency and prosperity during the past 50 years.

Ottawa Government Hedging on Proposal To Help Employment

(Continued from page 1)

order to have the amounts of their grants-in-aid for the current quarter determined, and that they must be prepared to submit to a Federal audit of the expenditure of all moneys received from the Dominion. The Employment Commission's ideal of having the "proof of need" established in the individual case in the municipality has not, however, been even closely approached.

In part, responsibility for the Federal Government's failure to achieve all that the Employment Commission suggested must be laid at the door of the provinces. These bodies have seen their autonomy invaded. They cease to be masters in their own houses, they contend, if they submit to the measure of financial control which is presently and ultimately involved.

Low-cost Housing

Among the other recommendations of the Commission which the Government has failed so far to adopt, the main one, in the evident view of Mr. Purvis, is the suggestion for a low-cost housing scheme. Since the home improvement scheme was inaugurated, the Commission Chairman points out, unemployment in the construction trade unions has dropped from 40 to 24%.

From the tenor of the Commission's report, it is plain that Mr. Purvis attaches central importance to the low-cost housing scheme, and hopes for its adoption after further governmental consideration. The Minister of Labor, for his part, is careful in his remarks not to turn it down finally, but simply to declare it to require "further examination of municipal and provincial plans for low-rental housing and slum clearance."

Five-point Plan

There are other recommendations which the Employment Commission has made which the Government has not seen fit to adopt as yet. Among them is the suggestion that the Government, before starting any public works project for unemployment relief purposes, should first have the project approved both by the governmental department concerned, and by the Employment Commission, and that the basis of appraisal should be the following considerations:

(1) Importance in stimulating increased non-governmental expenditures.

(2) Economic importance in improving the position of industry, particularly of export industries.

(3) Value in absorbing a high proportion of the type of labor available in the district in question, while at the same time making but demands on those types of labor of which a scarcity is becoming increasingly apparent.

(4) Low operating costs and low permanent overhead charges.

(5) Social value to the community.

The Commission's desire, in the foregoing five points is, obviously, to abolish the system whereby public works are approved as a matter of political patronage. The recommendation is one which will become increasingly important as the time of the next Federal election approaches.

Social Credit Offensive Falters Under Attack

(Continued from page 1)

ment was known, though there was a dearth of official information as ministers maintained a cautious silence. Within the powers of the province, it is believed, is the authority to both license and tax banks, as separate measures.

At the same time, an important assumption on which Mr. Low and his colleagues relied at that time has been shattered by Ottawa's disallowance. The assumption was that if, in the event that the final upshot of their policies was to drive the banks out of Alberta, the Provincial Government would be able to set up substitute facilities under the name of Social Credit. Ottawa has ended that dream.

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Chibougamau Tactics Confusing Public Confidence Is Upset

(Continued from page 1)

public knew as much about the matter as he did and that he would probably have a statement to make when he has received official word from Smelters. He further stated that he continues very heavily interested in the company, that he has not sold a share of stock during the past three months and that he has no intention of disposing of his holdings.

Caused Panic

Announcement of Smelters intentions caused a miniature panic among investors, the stock dropping in one day from 94 cents a share to a low of 40 cents, and then recovering somewhat to close at 50 cents. Official notification of the Smelters' plans was given to the Montreal Curb Market on the morning of Aug. 18, while the Toronto Stock Exchange, where the stock is also listed, only heard of the decision indirectly shortly before closing time and were not able to confirm the report until the market had closed. In the meantime, 160,000 shares had been traded.

It is understood that while 160,000 shares were traded on the Toronto Stock Exchange following the announcement that Smelters would suspend operations at the Chibougamau property, these transactions represented selling orders originating in Montreal.

There has been considerable criticism from brokers and investors. One shareholder, who holds over 5,000 shares, suggested to The Financial Post that it was "the old story of Smelters' refusal to take shareholders into their confidence. They seem to think," he said, "that because of their bigness they can get away with anything."

Recall Previous Situation

Several months ago, failure of the company to make any statement on operations at Chibougamau in the face of street rumors resulted in severe criticism in the press and elsewhere and largely as a result of pressure by the Quebec Government the company adopted the policy of issuing quarterly reports, only one of which has been issued to date.

In defense of Smelters' policy of being reticent in regard to developments at its property it is often stated that the company is not interested in the market. One shareholder asserted to The Financial Post, however, that this policy could only be defended where Smelters have complete control.

Statements are Contradictory

Announcements made by the company are somewhat contradictory. The letter to the Quebec department of mines stated that operations were being suspended because developments do not justify further expenditures. Mr. Warren, on the other hand, has intimated that the suspension of operations may only be temporary and that the policy of the company will be considered later. He also intimated that a financial reorganization of the company may be necessary.

A factor which makes it difficult for Consolidated Chibougamau shareholders to understand Smelters' decision is the favorable reports which have been made this year. It is known that results this year have been better than in 1936. The Financial Post is informed that results since the quarterly report for the period to June 21 which was released early in July have been good.

Why Not Stop Immediately?

If, as it is stated, "developments do not justify further expenditure," why, shareholders are asking, are not operations being suspended immediately instead of waiting three months until freeze-up? Furthermore, why did Smelters take up an additional 25,000 shares of the stock which it has under option at $1 a share only two weeks ago?

Investment of Consolidated Smelters in Consolidated Chibougamau to date amounts to about $1 million. The fact that Smelters has invested this amount and continued developments last year when results were less favorable than in the current year, shareholders claim, is an indication that it had faith in the property. Another indication of this faith is seen in the desire of its parent company, the Canadian Pacific Railway, to build a branch line into the territory. Announcements of plans for such a line were announced last spring, but the project was blocked by the C.N.R. which claims to have prior rights to a line in the area.

The possibility that a reorganization may be necessary is not surprising and it has been generally known that some provision would have to be made for the raising of further capital before the property could be brought to a production stage. Of its authorized three million shares, only 140,000 shares remain in the treasury and these are under option to Smelters at $1 a share. In order to build a smelter and bring the property into production, a large amount of capital would be required, so that it would probably have been necessary to increase the capitalization in the near future.

Had Optioned Adjoining Property

Another indication of Smelters' faith in the property is the attempts that have been made by the company in the past year to acquire the adjoining Blake property in order to round out its holdings. The Financial Post is informed that options were taken on this property, but the options were allowed to lapse because of the remote control of operations from Trail, B.C. On one occasion, according to this informant, Smelters decided to take up the option, but did not notify the Blake interests until several days after it had expired. As a result, Smelters were informed that the offer no longer stood and that the price for the property had been advanced.

In some circles it is suggested that the suspension of operations at this time is merely an attempt by Smelters to void the agreement with A. H. McKay, president and original optionee, to pay him, $375,000, which is equivalent to a commission of 25 cents a share, as soon as it acquires stock control of the company. If and when Smelters takes up the additional 140,000 shares which it has under option it will be legally obligated to make this payment to Mr. McKay.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.70	4.96
Can. Invest. Fund	4.70	5.05
All Can. Trustee	14.30	14.80
Trans Canada	15.00	
Grouped Income	6.47	7.10
Can. Equity	13.75	14.00
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.50	6.00

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Unabated Need Of U. S. Paper Imports Seen

Tariff Commission Reports on Pulp Supply Situation

From Our Own Correspondent

MONTREAL. — Imports in the form of pulp or newsprint will have to remain a dominant factor in the white paper supply of the northeastern and the Lake states, unless there is either great increase in the production on the Pacific Coast or a large development in the south of pulp suitable for the production of white paper; or both.

This is the view held by the United States Tariff Commission, as set forth in the advance copy of a report submitted to the Senate on the wood pulp and pulpwood situation in the United States.

The situation as regards future supplies of pulp and pulpwood is not as clear-cut as it might be. The Commission says the Pacific coast may for some time continue to increase its shipments of pulp (as such or in the form of paper) to the eastern consuming regions, but probably not at a rate sufficient to lessen greatly the dependence of these regions on imports. The regions referred to include New York, Chicago, Philadelphia, Cleveland, Boston, and other large metropolitan centres in the northeastern and Lake states, which account for a large proportion of the total American consumption.

South Needs Watching

On the other hand, the Commission goes on to say, the situation might be completely changed if the reduction of yellow pine in the south by the sulphite and groundwood processes develops on a large scale. Extensive experimentation has been carried on in that direction and many in the industry are of the opinion that these processes will shortly be employed commercially in the south with lower cost for wood and with no higher conversion costs than prevail in other pulp-producing regions of the country.

Strong Competitive Position

In discussing the competitive position of southern pine, the Federal Tariff Commission points out that pulpwood in the south, chiefly yellow pine, is far lower in price than pulpwood in the northern states, chiefly spruce and balsam fir. In the northeastern region pulpwood itself accounts for much more than half of the total cost of the sulphite and mechanical pulp (in slush form). In the south, where practically no sulphite or groundwood is now made from yellow pine, wood accounts for less than one third the cost of sulphate.

May Undercut Canada

As bearing on possible future regional costs of sulphite and mechanical, the Commission compares the two main factors of cost of sulphate pulp in the southern regions with those in the Lake and Pacific coast regions. No costs are available for the northeastern regions where the output is small. During the period January-September, 1935, the wood cost per ton of sulphate pulp in the southern region was $6.90; in the Pacific coast region $8.66; and in the lake region $14.66.

Moreover, it is pointed out, the conversion cost for sulphate pulp is lower in the south than elsewhere, $15.25 a ton as compared with $16.24 on the Pacific coast and $20.02 in the Lake region.

The Commission expresses the opinion, of great importance to Canadian pulp and paper producers, that if relationships of costs at all resembling these for sulphate should become possible with respect to sulphite and groundwood, the situation as regards both inter-regional competition and competition with foreign pulp would be greatly changed.

One Offsets the Other

In discussing possible future demand for pulp and paper in the States, the Commission states the demands for wrapping and other papers and board which are made from sulphate have increased in greater proportion than those for white papers. Although there are large imports of sulphate pulp for the manufacture of wrapping paper and board, the ample expansion of sulphate production in the south has enabled the country to take care of an increasing proportion of its growing domestic requirements.

In summing up, the Commission says the future situation with respect to the United States trade in pulp and paper is related to the extent of the expansion which may occur in the Pacific northwest and probably in even more important degree to the question whether the abundant southern pine, hitherto used almost exclusively for sulphate pulp, can also be economically reduced by the other two processes or whether methods can be devised by which bleached sulphate, suitable for use in white papers which are now made from sulphite and groundwood, can be produced at moderate cost.

SISCOE GOLD MINES LIMITED

Notice of Dividend No. 33

NOTICE is hereby given that a Dividend of Five Cents (5c) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on September 15, 1937, to shareholders of record at the close of business on the 31st day of August, 1937. The stock transfer books of the Company will be closed from September 1st to September 15th inclusive, for the purpose of the payment of the said dividend.

By order of the Board.

H. E. GREEN,
Secretary-Treasurer.

Montreal, 19th August, 1937.

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3. Furnaces and Blowers—Devonshire Court
4. Radios—Manufacturers' Building
5. Roofing Display—General Exhibits Bldg.
6. Sewing Machines—Electric Building
7. Fashion Show—Transportation Building
8. Cottage—Devonshire Court
9. Fashions—Manufacturers' Building
10. Furnished Rooms—Manufacturers' Bldg.
11. "Hoover" Display—Under Grandstand and General Exhibits Bldg.

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Outlook for Foreign Bonds 7.

Colombia May Resume Partial Debt Service

Negotiations Are Being Conducted at Present Time

By NORMAN A. WHITE

Expectations are that a preliminary plan of debt adjustment will be formulated in the near future whereby the Republic of Colombia will resume partial interest payments on its external dollar bonds held in the United States and Canada. The basis for these expectations lies in negotiations now being conducted by the Foreign Bondholders' Protective Council of New York with the Colombian Government.

At this time it is impossible to predict what the ultimate terms of the adjustment may be, but it is expected that a general plan of partial payments similar to the present Brazilian scheme will be negotiated. As in the case of the Brazilian plan, the arrangement will probably give effect to variations in capacity to pay of the various obligors, that is, of the national government, the various departments and municipalities. It is to be expected that the national issues and the guaranteed issues of the Agricultural Mortgage Bank will be in the highest category.

Political Factor Important

It is generally recognized that resumption of debt service by Colombia has been delayed by political rather than economic factors. The republic has enjoyed both economic and financial improvement and would appear to be in a position to pay a good portion of debt service. The financial position of some of the departments and municipalities, however, is weak and a reduction in the principal of the bonds of some of these may ultimately be necessary.

During the past two years Colombia has experienced rapidly increasing prosperity. The improvement in the coffee industry has been important and considerable benefit has been derived from higher prices for crude oil and increased production of this product. Oil resources are expected to contribute to continued improvement in economic conditions.

Improvement Continues

Aided largely by higher coffee prices and increased shipments of this key commodity, economic recovery experienced in 1936 has continued in 1937. Indicative of improvement in the economic status of the republic is the increase in exports from $59 millions in 1932 to $90 millions in 1936. Excess of exports over imports in 1936 amounted to $21 millions.

There has also been improvement in the exchange situation. In the first three months of 1937 foreign receipts of the Exchange Control Board exceeded total allotments for imports and other requirements by $4.6 millions in contrast to $1 million in the same period of 1936. The former is equivalent to 2¾% on the entire foreign debt of Colombia, which indicates, from the exchange angle, substantial capacity to pay.

Government Revenues Increase

Government accounts also indicate a sound fiscal position and capacity to pay. Revenues in 1936 showed a sharp increase over the previous year and in each of the past four years the Government has reported a surplus. The surplus in 1936 was one million pesos.

Colombia Budget

	*1936 $ 000's	1935 $ 000's
Revenues	39,206	35,709
Expenditures:		
Debt service	6,917	4,953
Ministry of Finance	2,617	2,648
Ministry of War	7,022	8,415
Public works	6,962	5,910
Other	15,683	12,562
Total expenditures	39,202	34,218

*Estimates only. Detailed results not available as yet, but surplus is reported and revenues exceeded estimates.
Note:—Pesos converted into dollars at average annual rates.

The dollar debt of Colombia is made up of two national issues totalling $51.2 millions; two issues of scrip totalling $4.5 millions; eight issues of Colombian departments totalling $59.9 millions; six issues of municipalities amounting to $22.1 millions; and four issues of the Agricultural Mortgage Bank guaranteed by the national government and totalling $10.2 millions; making a grand total of $148 millions. Other external indebtedness is £2.6 millions of sterling bonds.

Canadians are mainly interested in the national issues. These and those of the Agricultural Mortgage Bank went into default in 1933. Coupons on which default occurred were paid one third in cash and two thirds in scrip. Payments in 1934 were made entirely in scrip, except January payments on two issues.

Comparative figures of internal and external debt are given below:

Gross Public Debt As at December 31

	1936 $	1933 $
External:		
Consolidated	61,240	61,313
Floating	36,391	20,504
	97,631	81,817
Internal:		
Consolidated	29,323	21,721
Floating	15,762	22,612
	45,085	44,333
Total debt	142,716	126,150

Note:—External debt converted into dollars at original par of exchange; internal debt at average December rates.

Home Dividend Problematical

Depositors and general creditors of the Home Bank who have been living in hopes of a further distribution from that defunct institution are likely to be disappointed.

Following failure in 1923, the Dominion Government and holders of the bank's notes were paid 100% of their claims. Depositors and other creditors were not so fortunate. They received a 25% dividend in the liquidation and under the Gratuities Act, a further 35% could be claimed by those who could show that they were in need as a result of the failure.

Some assets are still held, and it had been expected that an additional, if small dividend, would be distributed. The Financial Post is reliably informed, however, that this expectation rests upon very shaky foundations. Most of the assets held are in the form of vacant real estate, and taxes have accumulated since 1931.

Westinghouse Volume Gains

Substantial Improvement in Orders For Large Equipment Seen in 1937

Since the beginning of 1937 Canadian Westinghouse has experienced a marked spurt in volume of orders and company officials indicate that substantial improvement has taken place in sales and profits for 1937 to date.

Orders for the larger types of equipment made by Canadian Westinghouse did not show much increase until 1937 after the depression low was passed, but since 1937 opened a marked growth in this kind of business has been noted. Expanding operations for companies making newsprint, pulp and related paper products, and companies producing and distributing electricity has meant a better scale of activity in the company's plants. How much of this increase will be reflected in 1937 financial statements cannot be known yet as the large types of industrial equipment made by Canadian Westinghouse sometimes require up to 18 months to complete. The company does not take the profit on any sale into its accounts until the machine is delivered and paid for so that higher volume of orders will probably benefit 1938 as well.

Air-brake Orders

One department of Canadian Westinghouse's operations to see substantial growth this year is the air-brake division. The two Canadian railroads have each placed orders for more than 3,600 freight and passenger cars of various types. Canadian Westinghouse is the only company manufacturing air-brake equipment in Canada and will obtain all of this business, in addition to replacement and repair orders. It has been necessary to build an addition to the portion of the plant handling this work.

Sales of household appliances are holding steady at around last year's volume. This division was pushed energetically to take up a portion of the slack caused through lack of orders for larger equipment and build up a demand for electrical power. Energetic promotion of this division continues with around $20,000 spent annually on dealer conventions alone.

The company is likely to follow a conservative policy in distributing increased profits. Payment of dividends in excess of current earnings had reduced surplus from $7.9 millions at the end of 1931, the last year a bonus of $1 was paid, to $6.1 millions at the end of 1936. It is altogether likely that the management will want to replace at least a portion of this surplus before considering the matter of higher dividends.

I. P. and P. Fix Date For Securities Exchange

From Our Own Correspondent

MONTREAL. — International Paper and Power Co.'s board of directors has taken final action to put into effect the plan for change in capitalization, according to announcement released by R. J. Cullen, president.

The date on which the now outstanding shares are to be changed in accordance with the plan has been fixed by the board at Sept. 25, 1937, or such earlier date as the registrations under the Securities Exchange Act in 1935 shall become effective.

Eastern Light Widens System

Buy Dominion Utilities Co. From Dominion Coal

From Our Own Correspondent

MONTREAL.—Control of Dominion Utilities Co., New Waterford, N.S., has been acquired by the Eastern Light and Power Co., Sydney. The former was the property of the Dominion Coal Co. The price paid has not been announced.

The system acquired by Eastern Light includes all distribution lines in the town of New Waterford, from New Victoria, via South Bar to Sydney, Lingan, Birch Grove, Dominion No. 6 and Fort Morien.

The company reports gross income in 1936 of $378,556. After paying all charges, including interest and depreciation, there was a surplus of $43,640, as against $25,026 in 1935.

During the past year the company reduced notes payable from $537,121 to $170,582.

Income and Surplus Account Years Ended Dec. 31

	1936 $	1935 $
Earns. from oper.	376,012	350,984
Rent fr. lease of bldgs.	2,027	1,079
Interest revenue	167	184
Dividends	350	350
Total income	378,556	352,105
Less: Oper. & maint.	238,525	220,519
Taxes	30,533	26,252
Int. on debt	16,465	7,508
Interest on notes, etc.	23,647	36,643
Depreciation	25,746	36,157
Surplus for year	43,640	25,026
Add: Prev. surplus	52,310	27,284
Less: Debits to surplus	1,382	......
Surplus forward	94,568	52,310

Com. Alcohols Shows Gains

From Our Own Correspondent

MONTREAL.—Operations of Commercial Alcohols Ltd., for the four months of the fiscal year resulted in a profit, before depreciation and income tax, of $20,366. This compares with a profit of $14,000 in the like period last year.

Sales during the first quarter were up 25%, according to an announcement by the company. At the end of July the working capital stood at a figure in excess of $100,000, as compared with $75,000 at March 31.

Dividends on the $5 preferred will probably be inaugurated shortly, with a 10-cent per share payment at the rate of 8% per annum, on Oct. 15.

Outlook for the balance of the year remains favorable, the company states. In anticipation of a heavy fall demand, the company is building up a large inventory of magnesia insulating board and pipe covering. The company is well placed in regard to raw materials in the magnesia division, existing stocks being sufficient to cover production into the spring of 1938. On the year, the company's sales of magnesia board and pipe coverings, are expected to show an increase of about 50%.

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It is the intention of C.I.L. to operate these units separately, with no change in personnel.

Investment Analysis

Distillers Preferred

High Equity and Earning Power Feature Distillers Corp-Seagram Stock, Which Currently Yields Over 5.80%

From Our Own Correspondent

MONTREAL. — With a current market of between 84 and 86 Distillers Corp.-Seagrams 5% cumulative preferred offers a return of approximately 5.81% with warrants to purchase common stock on what may turn out to be very attractive terms.

Advantages of this stock can be summarized as follows:

(1) The senior issue of a holding company which, through subsidiaries, is one of the largest producers and distributors of whiskies and gins on the American continent;

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(7) Payable as to principal and dividends in United States funds;

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The disadvantages of the stock largely centre on the average investors' moral scruples against the purchase of distillery stocks and the tendency of governments to tax heavily this type of business.

One of Largest in Field

The company, through its American subsidiaries, owns the following properties in the United States: a distillery, rectifying and bottling plants and warehouses at Lawrenceburg and Greendale, Ind.; a distillery with bottling plants and warehouses at Relay, Maryland; and a distillery and warehouses at Louisville, Kentucky. In addition it owns plants and warehouses just outside of Montreal and at Waterloo, Ont. Further, the company has established an elaborate distributing organization both in this country and the United States.

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The option agreement now permits purchase of 11,000 shares at $14 a share in July, 1938; 11,000 at $15 in July, 1939; 11,000 at $16 in July, 1940, and 11,000 at $17 in July, 1941. In the event any option is not exercised, all future options automatically terminate.

Legare Earns Dividend Rate

New Management Makes Marked Progress With Business

The Legaré Co. Ltd., successor to the P. T. Legaré Co., is showing marked improvement under new management, The Financial Post is informed. The sales increase for the first half of 1937 is understood to be around 40%, and it is estimated that sales for the full year will be approximately $2 millions.

Results have been as follows:

Legaré Co. Ltd. Results

	3 mos. ended Dec. 31 1936 $	6 mos. ended June 30 1937 $	9 mos. ended June 30 1937 $
Sales	459,224	963,019	1,422,243
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Less: Bd. int.	3,712	11,579	15,291
Deprec.	4,407	7,231	11,638
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The first annual report of the reorganized company will be for the 15 months to Dec. 31, 1937. Projecting the results for the first half of 1937, without allowance for the greater seasonal volume in fall and Christmas periods, net profits for the 15 months would be above $80,000. That would exceed $2.65 a share on the 29,697 shares of 6% preferred. The shares represent the major portion of the claims of former bondholders which were settled last year when the firm was taken out of bankruptcy. Annual dividend rate of $1.50 a share, or $1.87½ for 15 months, should be covered comfortably.

The net profits for the first three months under the new management amounted to about 40 cents per preferred share and for the next six months were approximately $1.20 a share. The nine months results thus showed earnings over $1.60 a share for the preferred.

The new president and managing director, Louis D. Hudon, was previously with McDonald, Currie & Co., Montreal, auditing and accounting firm, and in that capacity he managed the company as trustee in bankruptcy for about 18 months. Mr. Hudon has acquired a substantial proportion of the common shares in the reorganized firm. Other members of the new board of directors are J. A. Gagne and Hon. Lucien Moraud, K.C., Quebec; Louis P. Gelinas, Montreal, and G. R. Munnoch, E. R. Angus and M. G. Angus, of Toronto. Frank Millington, C.A., is secretary-treasurer.

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MACDONALD'S "EXPORT"

Outlook for Foreign Bonds 7.

Colombia May Resume Partial Debt Service

Negotiations Are Being Conducted at Present Time

By NORMAN A. WHITE

Expectations are that a preliminary plan of debt adjustment will be formulated in the near future whereby the Republic of Colombia will resume partial interest payments on its external dollar bonds held in the United States and Canada. The basis for these expectations lies in negotiations now being conducted by the Foreign Bondholders' Protective Council of New York with the Colombian Government.

At this time it is impossible to predict what the ultimate terms of the adjustment may be, but it is expected that a general plan of partial payments similar to the present Brazilian scheme will be negotiated. As in the case of the Brazilian plan, the arrangement will probably give effect to variations in capacity to pay of the various obligors, that is, of the national government, the various departments and municipalities. It is to be expected that the national issues and the guaranteed issues of the Agricultural Mortgage Bank will be in the highest category.

Political Factor Important

It is generally recognized that resumption of debt service by Colombia has been delayed by political rather than economic factors. The republic has enjoyed both economic and financial improvement and would appear to be in a position to pay a good portion of debt service. The financial position of some of the departments and municipalities, however, is weak and a reduction in the principal of the bonds of some of these may ultimately be necessary.

During the past two years Colombia has experienced rapidly increasing prosperity. The improvement in the coffee industry has been important and considerable benefit has been derived from higher prices for crude oil and increased production of this product. Oil resources are expected to contribute to continued improvement in economic conditions.

Improvement Continues

Aided largely by higher coffee prices and increased shipments of this key commodity, economic recovery experienced in 1936 has continued in 1937. Indicative of improvement in the economic status of the republic is the increase in exports from $59 millions in 1932 to $90 millions in 1936. Excess of exports over imports in 1936 amounted to $21 millions.

There has also been improvement in the exchange situation. In the first three months of 1937 foreign receipts of the Exchange Control Board exceeded total allotments for imports and other requirements by $4.6 millions in contrast to $1 million in the same period of 1936. The former is equivalent to 2¾% on the entire foreign debt of Colombia, which indicates, from the exchange angle, substantial capacity to pay.

Government Revenues Increase

Government accounts also indicate a sound fiscal position and capacity to pay. Revenues in 1936 showed a sharp increase over the previous year and in each of the past four years the Government has reported a surplus. The surplus in 1936 was one million pesos.

Colombia Budget

	*1936 $ 000's	1935 $ 000's
Revenues	39,206	35,709
Expenditures:		
Debt service	6,917	4,953
Ministry of Finance	2,617	2,648
Ministry of War	7,022	8,415
Public works	6,962	5,910
Other	15,683	12,562
Total expenditures	39,202	34,218

*Estimates only. Detailed results not available as yet, but surplus is reported and revenues exceeded estimates.

Note:—Pesos converted into dollars at average annual rates.

The dollar debt of Colombia is made up of two national issues totalling $51.2 millions; two issues of scrip totalling $4.5 millions; eight issues of Colombian departments totalling $59.9 millions; six issues of municipalities amounting to $22.1 millions; and four issues of the Agricultural Mortgage Bank guaranteed by the national government and totalling $10.2 millions; making a grand total of $148 millions. Other external indebtedness is £2.6 millions of sterling bonds.

Canadians are mainly interested in the national issues. These and those of the Agricultural Mortgage Bank went into default in 1933. Coupons on which default occurred were paid one third in cash and two thirds in scrip. Payments in 1934 were made entirely in scrip, except January payments on two issues.

Comparative figures of internal and external debt are given below:

Gross Public Debt As at December 31

	1936 $	1933 $
External:		
Consolidated	61,240	61,313
Floating	36,391	20,504
	97,631	81,817
Internal:		
Consolidated	29,323	21,721
Floating	15,762	22,612
	45,085	44,333
Total debt	142,716	126,150

Note:—External debt converted into dollars at original par of exchange; internal debt at average December rates.

Home Dividend Problematical

Depositors and general creditors of the Home Bank who have been living in hopes of a further distribution from that defunct institution are likely to be disappointed.

Following failure in 1923, the Dominion Government and holders of the bank's notes were paid 100% of their claims. Depositors and other creditors were not so fortunate. They received a 25% dividend in the liquidation and under the Gratuities Act, a further 35% could be claimed by those who could show that they were in need as a result of the failure.

Some assets are still held, and it had been expected that an additional, if small dividend, would be distributed. The Financial Post is reliably informed, however, that this expectation rests upon very shaky foundations. Most of the assets held are in the form of vacant real estate, and taxes have accumulated since 1931.

Westinghouse Volume Gains

Substantial Improvement in Orders For Large Equipment Seen in 1937

Since the beginning of 1937 Canadian Westinghouse has experienced a marked spurt in volume of orders and company officials indicate that substantial improvement has taken place in sales and profits for 1937 to date.

Orders for the larger types of equipment made by Canadian Westinghouse did not show much increase until 1937 after the depression low was passed, but since 1937 opened a marked growth in this kind of business has been noted. Expanding operations for companies making newsprint, pulp and related paper products, and companies producing and distributing electricity has meant a better scale of activity in the company's plants. How much of this increase will be reflected in 1937 financial statements cannot be known yet as the large types of industrial equipment made by Canadian Westinghouse sometimes require up to 18 months to complete. The company does not take the profit on any sale into its accounts until the machine is delivered and paid for so that higher volume of orders will probably benefit 1938 as well.

Air-brake Orders

One department of Canadian Westinghouse's operations to see substantial growth this year is the air-brake division. The two Canadian railroads have each placed orders for more than 3,600 freight and passenger cars of various types. Canadian Westinghouse is the only company manufacturing air-brake equipment in Canada and will obtain all of this business, in addition to replacement and repair orders. It has been necessary to build an addition to the portion of the plant handling this work.

Sales of household appliances are holding steady at around last year's volume. This division was pushed energetically to take up a portion of the slack caused through lack of orders for larger equipment and build up a demand for electrical power. Energetic promotion of this division continues with around $20,000 spent annually on dealer conventions alone.

The company is likely to follow a conservative policy in distributing increased profits. Payment of dividends in excess of current earnings had reduced surplus from $7.9 millions at the end of 1931, the last year a bonus of $1 was paid, to $6.1 millions at the end of 1936. It is altogether likely that the management will want to replace at least a portion of this surplus before considering the matter of higher dividends.

I. P. and P. Fix Date For Securities Exchange

From Our Own Correspondent

MONTREAL. — International Paper and Power Co.'s board of directors has taken final action to put into effect the plan for change in capitalization, according to announcement released by R. J. Cullen, president.

The date on which the now outstanding shares are to be changed in accordance with the plan has been fixed by the board at Sept. 25, 1937, or such earlier date as the registrations under the Securities Exchange Act in 1935 shall become effective.

Eastern Light Widens System

Buy Dominion Utilities Co. From Dominion Coal

From Our Own Correspondent

MONTREAL.—Control of Dominion Utilities Co., New Waterford, N.S., has been acquired by the Eastern Light and Power Co., Sydney. The former was the property of the Dominion Coal Co. The price paid has not been announced.

The system acquired by Eastern Light includes all distribution lines in the town of New Waterford, from New Victoria, via South Bar to Sydney, Lingan, Birch Grove, Dominion No. 6 and Fort Morien.

The company reports gross income in 1936 of $378,556. After paying all charges, including interest and depreciation, there was a surplus of $43,640, as against $25,026 in 1935.

During the past year the company reduced notes payable from $537,121 to $170,582.

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The first annual report of the reorganized company will be for the 15 months to Dec. 31, 1937. Projecting the results for the first half of 1937, without allowance for the greater seasonal volume in fall and Christmas periods, net profits for the 15 months would be above $80,000. That would exceed $2.65 a share on the 29,697 shares of 6% preferred. The shares represent the major portion of the claims of former bondholders which were settled last year when the firm was taken out of bankruptcy. Annual dividend rate of $1.50 a share, or $1.87½ for 15 months, should be covered comfortably.

The net profits for the first three months under the new management amounted to about 40 cents per preferred share and for the next six months were approximately $1.20 a share. The nine months results thus showed earnings over $1.60 a share for the preferred.

The new president and managing director, Louis D. Hudon, was previously with McDonald, Currie & Co., Montreal, auditing and accounting firm, and in that capacity he managed the company as trustee in bankruptcy for about 18 months. Mr. Hudon has acquired a substantial proportion of the common shares in the reorganized firm. Other members of the new board of directors are J. A. Gagne and Hon. Lucien Moraud, K.C., Quebec; Louis P. Gelinas, Montreal, and G. R. Munnoch, E. R. Angus and M. G. Angus, of Toronto. Frank Millington, C.A., is secretary-treasurer.

Service for Owners of Securities

If you find it difficult to look after both your business and your securities—if you are not an expert in investment matters—the Crown Trust Company will attend to the details for you. While under your full control they will have the attention of an experienced organization.

One of our officers will gladly call and discuss this service with you at any time.

Enquiries invited.

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Let us serve you and your family

IMPERIAL BANK OF CANADA

BANKERS TO THE CANADIAN PUBLIC

177

Support Your Credit Manager WITH ADEQUATE TOOLS

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NOW THE BEST BUY OF THE YEA

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More than that, even—buy a McLaughlin-Buick today and yo less "money's worth!" Prove it for yourself by comparing price values. No other car in the world gives you all the famous Buick advantages . . . Va Straight Eight Engine—U ret Top Body by Fisher— Tube Drive—Knee-Actio Sealed Chassis—Tiptoe Brakes—Dual ride stabilizers many others. Yet McLaughlin-Buick today sells well within reach of new thousands of motorists; well within *your* means. So remember, before you accept less than McLaughlin-Buick quality . . . see . . . drive . . . compare . . . find out how little it costs you now to own the car of your dreams!

Illustrated—5-Passenger Sedan with Trunk—Series 44.

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Compare delivered prices and monthly payment terms before you buy any new car. You will find that General Motors cars offer extra value for the money —on easy monthly payments to suit your purse through the General Motors Instalment Plan.

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EXPORT "A" FILTER TIPS

MACDONALD'S "EXPORT"

Investment Trends

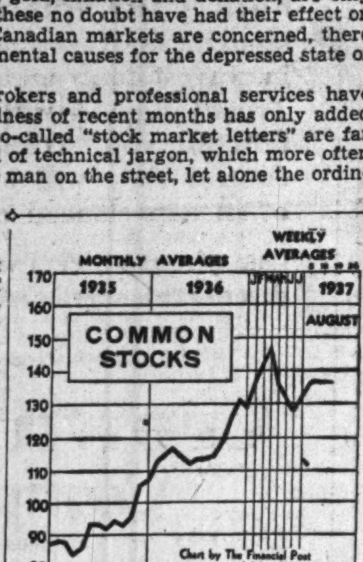
"Dog Days" Hit Market; Trading Is Professional

Absence of Small Investor and Trader Holds Back Broader Interest in Securities

These are the "dog days" on the stock markets. Individual stocks, and even the market as a whole, display a lethargy which seems difficult to awaken. Chart watchers can show how every year at this time there is uncertainty in the market trend with losses more numerous than gains.

Brokers, economists and others have been bringing forward a thousand and one reasons for the unsatisfactory market of the past six months. War scares, "hot money," devaluation of gold, inflation and deflation, are only a few of the causes mentioned. All these no doubt have had their effect on stock values, but in so far as the Canadian markets are concerned, there are other and probably more fundamental causes for the depressed state of affairs.

The manner in which many brokers and professional services have attempted to explain away the dullness of recent months has only added to the confusion. The majority of so-called "stock market letters" are far from helpful. They use a great deal of technical jargon, which more often than not is hardly intelligible to the man on the street, let alone the ordinary investor.



Reasons for Dullness

The break in the mining market last spring cleaned out a number of small accounts. Speculators and investors have not recovered their confidence in the stability of the gold price despite all the reassuring literature. On the industrial side trading has been largely confined to professional operators who are able to take advantage of rapid, though small, changes in market values from day to day.

It is the small trader or investor who makes for a strong market. Individually his business may be small, but collectively it provides the background for a broad, upward movement in stock values. This type of buyer has been out of the market; or his marginal account has been frozen. The net result is that there has not been enough trading to enable stock brokers, as a group, to clear expenses.

Though absent for some time, the small trader has plenty of resources wherewith to re-enter the market. The reason he has not may be ascribed in part to uncertainty over the outlook and a tendency to hold back until the market shows signs of greater activity.

* * *

Follow Simple Rules

Though "rules" must always be used with intelligence and with regard to circumstances, especially where markets are concerned, there are perhaps two basic points for the small investor or trader to keep in mind. First he should study the business returns and make up his mind as to whether or not the trend is likely to continue favorable. Remember that the market values of stocks are predicated on earning power. If business is good and all the known factors are favorable for a continuance of good times, then the small trader can go "long" on the market. He may not catch the swings (that's how the professional makes his living), but over the long term he will make money.

The second rule to follow is to buy into the companies making money. The more money a company makes, the higher its stock is likely to go. If earning power declines, get into something else. But always follow the money-makers.

These are simple rules for the small investor or trader to follow when investing in stocks or playing the market. It might also be added that nowhere is patience of more value than in the stock market—more money has been lost by impatience than through the seasonal swings of the market.

* * *

Ounce of Prevention

Toronto and Montreal have raised the minimum margins on stocks selling for $3 a share or less. This is a preventive measure; some of the member houses got a bad scare when the market broke last spring. Not a few had clients with overextended marginal accounts.

* * *

Pulp Producers Away

Sulphite pulp producers are being widely heralded these days as the big money-makers over the next year or 18 months. Conditions look very favorable, but in the event of an embargo on the warring nations in the Far East, more than one producer might be unfavorably affected. Also it would be well to examine the trade returns for Japan to see what other industries might be affected. Some Canadian companies have very extensive trade connections with Japan and China.

* * *

Sino-Japanese Conflict

Marketwise, the most threatening potentiality of the current Sino-Japanese hostilities may be the possibility that Russia might take advantage of the situation to move on Japan, in which case the German understanding with Japan, plus German ambitions to the East, might force Germany to strike out at Russia. Then the fat would really be in the international fire. We would prefer to see greater evidence of the above developments, however, before assuming them.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
[illegible]	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
[illegible] Figures, 1937:												
[illegible]	[illegible]	38.7	98.7	225.0	80.8	182.0	137.1	188.4	91.9	90.2	68.2	135.7
[illegible]	[illegible]	40.8	99.1	223.3	79.7	182.8	137.5	192.9	92.9	90.0	66.9	136.7
[illegible]	[illegible]	41.7	99.1	223.6	79.3	182.6	139.7	195.8	90.8	90.0	65.3	136.2

[illegible]r years from 1929 to 1936 inclusive are based on weekly figures [illegible]s issued by Dominion Bureau of Statistics.

[illegible]xchange Index

[illegible]	20 Golds	20 Misc. Mines
[illegible]	124.91	168.66
[illegible]	124.65	166.19
[illegible]	124.59	166.82
[illegible]	124.00	168.01
[illegible]	125.90	170.63
[illegible]	127.44	173.51
[illegible]	121.39	164.54
[illegible]	140.33	139.72
[illegible]	168.50	215.36
[illegible]	107.83	141.97

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 24	80.5	109.1	99.6
Aug. 23	80.7	109.2	99.7
Aug. 21	80.5	109.7	100.0
Aug. 20	80.1	109.8	99.9
Aug. 19	80.7	111.3	101.1
Aug. 18	81.3	112.4	102.0
Month ago	80.6	108.5	99.2
Year ago	70.6	75.5	73.9
High, 1937	92.5	122.2	109.5
Low, 1937	74.8	100.3	92.3

Power . . .

and Industry

Power lines of utility companies are woven into the very fabric of the Canadian industrial structure; an ample supply of low-cost electrical energy has been an outstanding factor in the Canadian business recovery.

We recommend

WINNIPEG ELECTRIC COMPANY

4%—5% Series A Bonds, due 1965

(Interest at 4% to 1942 and thereafter at 5%)

Price to yield approx. 6.50%

NESBITT, THOMSON & COMPANY, LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada

Steel Co. Has Higher Volume

Work has started on an extension to the general office building for Steel Co. of Canada at Hamilton. This follows the construction of a 150-ton open hearth furnace which was put into operation in June and the new blooming mill on which work is still proceeding.

The company has more orders on hand than at this time a year ago. Present orders are estimated by officials as sufficient to keep the mills operating at capacity for the balance of 1937.

This statement makes it evident that earnings for 1937 should be substantially higher than for 1936 when $4.01 a share was earned on the combined preference and ordinary shares. The ordinary stock is still entitled to $8 a share in extra dividends before the "arrears" are entirely paid.

McCormick's Ltd. Net Profits Gain

Approval Given to Reorganization Plan and Weston Deal

Approval was given by security holders to the proposals for the reorganization of McCormick's Ltd. and the consolidation of the company with George Weston Ltd. at meetings held Aug. 24, 1937. Holders of present McCormick's bonds and preferred shares will receive new bonds guaranteed by George Weston Ltd. Holders of common stock in McCormick's will have the option of accepting the new bonds or Weston stock with a cash adjustment.

Net profits of McCormick's Ltd. for the period from Jan. 1 to July 17, 1937, after all charges except income tax, were $45,256 against $11,424 for the corresponding period of 1936. Net trading profit was $113,573 and total income $116,080.

Net working capital of $447,513 at July 17, 1937, compares with $435,222 at the end of 1936. Bank loans were $461,000 compared with $490,500.

G. Weston Ltd. Profits Lower

Exclusive of McCormick's Ltd., George Weston Ltd. and subsidiaries report a net profit of $165,572, after all charges other than income tax, for the six months ended June 30, 1937. This is a reduction of $49,955 from the corresponding period of 1936. Gross profit from operations was $263,030 for the first six months of 1937, against $320,336 in the 1936 period.

Company officials state that the reduced earnings are due to revenue lost because of the strikes in the company's American plants. Higher costs of materials and manufacturing also played a part as difficulty was experienced in adjusting retail prices to correspond with the higher costs. It is stated that the labor situation has been straightened out and progress made in adjusting prices.

Net working capital of George Weston Ltd. and subsidiaries, exclusive of McCormick's Ltd., at June 30, 1937, was $1,191,258 compared with $1,136,281 at the end of 1936. Current assets were $1,872,599 at June 30, 1937, and current liabilities $681,341.

Weston Foods Shows Growth

British Bakery Chain of Garfield Weston Earns 9.5% on Shares

Net profits of George Weston Foods Ltd., operating a bakery chain in Great Britain, were equivalent to 3.83% on the ordinary shares in the year ended June 30, 1937, compared with a loss in 1935-36. The number of 10s. par value shares outstanding was increased from 992,000 at June 30, 1936, to 1,000,000 at the end of the last fiscal year. This is the entire authorized amount of ordinary shares but the company has an authorized issue of 250,000 5% preference shares of £1 par value, none of which have been issued.

At the end of June, 1936, the first year of operations for George Weston Foods Ltd., the company controlled 11 companies actively operating in bread, biscuits and groceries, with an additional factory in course of erection. During the past year this factory has been completed and two other companies acquired, making a total of 14 operating companies controlled at June 30, 1937.

Aggregate Trading Profits

Included in the annual report is a statement of aggregate earnings of the 14 operating companies for the year ending April 3, 1937. After providing for depreciation but before income tax, and including the actual profits of the two companies acquired during the year and providing for the loss of one company which commenced production during the period, the statement of aggregate trading profits follows:

Aggregate Net Trading Profits
Year Ended April 30, 1937

	£
Net trading profits	188,770
Less: Divds. paid to minority preference holders	23,413
Profits not distributable	35,512
	92,592
Less: Attributable to minority holders of ordinary shares	29,389
Available for George Weston Foods	63,203
Less: Dividends paid to George Weston Foods	38,824
Surplus for period	29,379

In his statement to the shareholders, R. W. Parker, secretary, states that all the trading companies are now operating on a profitable basis, and adds that "it will be seen from the above statement that the dividends receivable during the current year should show a substantial increase over the dividends received during the past year."

On a consolidated basis as at April 3, 1937, and adjusted in respect to transactions with the parent company to June 30, 1937, the liquid position of the group is given as follows:

Aggregate Liquid Assets and Liabilities

	£
Liquid assets	454,721
Liabilities excluding capital	262,037
Balance	192,684

The balance sheet of George Weston Foods Ltd. includes among its assets £10,000 as the cost of rights and recipes obtained from George Weston Ltd., the Canadian company. Investment in subsidary companies, at cost is shown at £471,520 and advances to subsidiary and associated companies were £75,644.

George Weston Ltd., the Canadian company, disposed of its 25% interest in the British company, George Weston Foods Ltd., in April, 1936, and now has no direct interest in British operations. Shareholders of George Weston Ltd., however, purchased a portion of the interest formerly held by George Weston Ltd.

Profit and Loss Account
Years Ended June 30

	1937 £	1936 £
Divds. from subsids.	38,825	17,196
Divds. from invests.	8,766	......
Transfer fees	4	8
Income tax recov.	......	830
Total income	47,595	18,034
Less: Admin. & gen. exps.	14,713	15,613
Interest paid	5,240	4,264
Professional charges	833	405
Income tax	7,675	......
Depreciation	......	105
Net profit	19,134	*2,353
Less: Prev. deficit	2,353	......
Surplus forward	16,781	*2,353

*Deficit.

Working Capital

	1937	1936
Current assets	42,449	1,631
Current liabilities	76,997	64,346
Excess of current liabs. over current assets	34,548	62,715

Board to Review Machinery Debts

Implement Companies Reach Understanding in Saskatchewan

As a result of an understanding reached between the Saskatchewan Government and the farm implement companies, all cases of repossession of farm machinery in that province are to be submitted to the debt adjustment board for review of circumstances.

In order to facilitate the investigation of the debt adjustment board, the implement companies have agreed to retain possession of repossessed machinery for at least 20 days.

The implement companies have also assured the Government that in all cases where farming is being carried on, where the farmer is properly caring for the machinery and not abnormally depreciating its value, and in addition is showing a willingness to co-operate with the companies, repossession will not be undertaken.

Charges have been made that there has been wholesale repossession of machinery in the drought area, but this charge is denied by Hon. T. C. Davis, K.C., attorney-general. The only contracts not covered by the Debt Adjustment Act are those entered into since April, 1933, and the total amount outstanding in respect of machinery sold since that date in the whole of the drought area is approximately $750,000.

Greening Wire Offers Stock

Preferred Being Redeemed Oct. 1—Earns $1.06 Share on New Stock

Official notice of redemption of B. Greening Wire Co. preferred at 110 plus accrued dividends is expected in a few days. Probable date of redemption is Oct. 1.

Funds to redeem the 6,500 shares of preferred will be provided through the sale of 70,000 additional common shares at $12 a share. These will be offered to preferred holders on the basis of nine common shares for each preferred and it is expected that the majority will accept the offer.

Holders of present common shares may purchase 10,000 of the additional common shares, leaving 60,000 to be offered publicly. Underwriting arrangements are expected to be completed with Lampard, Marston & Co. and Cochran, Murray & Co., Toronto, investment dealers.

Supplementary letters patent have been received by the company increasing the number of common shares to 250,000 and giving holders of common eight new shares for each old. On completion of the present financing the company's sole capitalization will be 250,000 common shares of which 190,000 shares will be outstanding.

Earnings Higher

Earnings of the B. Greening Wire Co. for the fiscal year ended June 30, 1937, were equivalent to $1.06 a share on the proposed capitalization of 190,000 common shares. This compares with 52 cents a share on the same capitalization for the year ended June 30, 1936.

It is stated that directors intend to place the new common on a dividend basis of 50 cents a share

Income and Surplus Account
Years Ended June 30

	1937 $	1936 $
Net operating profit	342,072	224,318
Less: Directors' fees	1,000	1,000
Depreciation	65,642	66,732
Tax provision	40,000	22,314
Factory mgmt. and selling	18,000	18,000
Legal expensce	1,000	1,000
Executive salaries	17,000	17,000
Net profit	199,430	98,272
Less: Preference divds.	102,375	68,250
Surplus for year	97,055	30,022
Add: Prev. surplus	562,387	532,365
Surplus forward	659,442	562,387

Working Capital

	1937	1936
Current assets	829,722	664,786
Current liabilities	182,894	139,058
Working capital	646,728	525,728

Brown Company

Manufacturers of Paper and Pulp

Plan for Reorganization and Expansion

NOTICE TO BONDHOLDERS AND PREFERRED STOCKHOLDERS:

A plan for reorganization of the Brown Company, operating under a trusteeship since September, 1935, has been filed by the Company with the United States District Court at Portland, Maine.

The Company proposes new financing of $12,500,000 for working capital and expansion of the Company's La Tuque, P.Q. properties and offers a liberal settlement to bondholders, preferred stockholders and unsecured creditors.

Bondholders, preferred stockholders and creditors are urged to communicate promptly with the security dealers listed below to obtain copies of the plan containing forms of assent which should be forwarded immediately to H. J. Brown, Box 796, Portland, Me.

Wood, Gundy & Company Limited
36 King Street West
Toronto, Ontario.

McLeod, Young, Weir & Co. Limited
Metropolitan Building
Toronto, Ontario.

H. J. BROWN, *President*.

Can. Northern Power Hits Production Peak

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp., subsidiary of Power Corp. of Canada, reports a record peak for power production and customers served.

Power output for July totalled 55.3 million kw.h. as against 49.1 million kw.h. for July last year, an increase of over 12%.

DOMINION STEEL & COAL CORPORATION LIMITED

A new analysis describing the largest Canadian producer of steel and coal available on request.

Ask for Analysis P5

Greenshields & Co

Members Montreal Stock Exchange
Montreal Curb Market

507 Place d'Armes, Montreal

TORONTO OTTAWA QUEBEC SHERBROOKE

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CANADA STEAMSHIP LINES LTD.

5% 1st MORTGAGE BONDS DUE 2nd JANUARY 1957

We offer these bonds at the market to yield approximately 6.90%.

HANSON BROS

INCORPORATED

Established 1883.

255 St. James St. W.
MONTREAL

Ottawa Toronto

Investment Notes

Price Bros.—British investment circles are watching the action of the common shares. They note that a price of $60 a ton for newsprint is foreshadowed for 1938 and estimate that each rise of $1 a ton means a rise in earnings for the common of 44 cents a share, assuming all convertible debentures converted. On the basis of $55 newsprint earnings of $5 to $6 a share on the common are estimated.

* * *

Humberstone Shoe—Officials report that sales have been well maintained for the year ended July 31, 1937, and that earnings will probably be reported close to those of the preceding year, when net profits were equivalent to $2.88 a share on the common.

* * *

Southern Canada Power — Improvement in earning power is reflected by the fact that after payment of interest, depreciation and dividends, for the 10 months ended July last, there was a surplus of $27,450. During the like period of the previous year there was a deficit after all charges of $36,201.

* * *

Walkers—Directors of the company will want to see the financial statement for the year ended Aug. 31, 1937, before discussing the company's dividend policy, according to W. J. Hume, president. The recent treaty between Canada and the United States whereby the withholding tax on dividends received in Canada from the United States will be subject to a rate of 5% as compared with the former rate of 10% will mean a considerable saving to the company.

* * *

Howe Sound—Outlook is aided by the strong statistical position of lead and zinc. Demand is running ahead of production, with the result that surplus stocks are being cut under last year's levels. Howe Sound normally produces over 230 million pounds of lead and zinc per year. An increase of one cent per pound in the price of these metals means an increase of about $4.85 a share in the company's earnings. The new $2 millions concentrating mill next year should add to earnings possibilities.

* * *

International Nickel—The shares continue favorites with American investment trust firms. Latest to report purchases, Fundamental Investors Inc. increased its holdings of "Nickel" from 1,000 to 2,000 shares in the first half of this year.

* * *

Hamilton By-Product Coke Ovens, Ltd.—Net earnings for the year ended March 31, 1937, were equal to 4.6 times annual interest requirements on the 5% first mortgage bonds compared with 2.747 times in the preceding year, according to W. C. Pitfield & Co. Working capital was $1.5 million at March 31, 1937. Sales of the company showed an increase of about 12% in April and May, 1937, compared with the same months of 1936, and net profits for this period were also greater.

* * *

Building Products—Sales of this company for the first half of the current year are reported to be running 25% ahead of the same period last year. No information is available on earnings, but presumably they are on an improved scale.

Quebec Power Company

NOTICE OF REDEMPTION

To the holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, of Quebec Power Company.

NOTICE is hereby given that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from QUEBEC POWER COMPANY to NATIONAL TRUST COMPANY, LIMITED, Trustee, bearing formal date of December 1, 1928, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, on the first day of September 1937, at ONE HUNDRED AND THREE AND ONE-HALF PER CENT (103½%) of the principal sum thereof, with accrued interest on such Bonds and Registered Debenture Stock to the said first day of September 1937.

Holders of the said Bonds are required to present their Bonds on September 1, 1937 either at the principal office of THE ROYAL BANK OF CANADA, 360 St. James Street West, in the City of Montreal, Canada, or at the principal office of the BANK OF THE MANHATTAN COMPANY, 40 Wall Street, in the Borough of Manhattan, The City of New York, United States of America, for redemption on the said date. Bonds must be accompanied by the interest coupons appertaining thereto which mature on and after December 1, 1937.

Holders of the said Registered Debenture Stock are required to surrender their Debenture Stock Certificates on September 1, 1937, at the principal office of THE ROYAL BANK OF CANADA, 6 Lothbury, London, E. C. 2, England, for redemption of such stock on the said date.

In case such Bonds and Debenture Stock Certificates are not presented for redemption on September 1, 1937, at the respective places hereinabove designated, all interest on the said Bonds and Registered Debenture Stock will cease to accrue from and after the said date.

Dated at Montreal this 27th day of July, 1937.

QUEBEC POWER COMPANY

JAMES WILSON,
Secretary.

HONOURABLE EARL ROWE

States His Party's Stand on Labor

The national policy of the Liberal-Conservative Party, Provincial and Dominion, for many years has been to create industry for the purpose of providing work and wages for labor and a profitable home market for the farmer; the lumberman and other primary producers. The Party's sympathetic attitude towards labor is evidenced by the Social legislation on our statute books.

The Liberal-Conservative Party believes that labor should receive a fair share of the fruits of industry and is entitled to organize in order to improve the lot of the worker as regards wages, hours, security in old age and all other conditions of industrial life. The Liberal-Conservative Party reaffirms its traditional policy of insisting upon the maintenance of law and order in all industrial disputes and pledges itself firmly and scrupulously to uphold the laws of Canada.

The Liberal-Conservative Party in Ontario stands for the following:

1. The right of employees to bargain collectively through their own representatives chosen without dictation, coercion or intimidation.

2. It is and has for many decades been a fact that both capital and labor are International in their organization. Accordingly the right of the worker to belong to the union of his choosing, Canadian or International, craft or industrial, is fully established; provided always that the unions must observe, and that capital must observe, in all their actions, the laws of Canada.

3. The Liberal-Conservative Party is unalterably opposed to the introduction into Ontario of sit-down strikes, sabotage or other violations of our law, and for the purpose of clarity hereby places itself on record as being opposed to such illegalities whether they are introduced into Ontario by labor unions affiliated with the C. I. O., the A. F. of L., or any other organization, capital or labor.

4. That representatives from other countries, both of capital and labor, shall be subject on the same principles as other people to our immigration laws and that they shall when admitted to this country, strictly observe the laws of the land.

5. The primary function of the state in all industrial disputes is FIRST—to take no sides and to maintain law and order without the display of unnecessary or provocative force, and SECOND, to enact and impartially administer adequate legislation for the conciliation of industrial disputes.

6. The right to work in Canada is not dependent upon membership in any organization.

7. That no strike shall take place until all reasonable methods of conciliation are exhausted and the worker should have the right of secret ballot free from improper influence or coercion in all decisions relating to the dispute.

8. The Liberal-Conservative Party will continue in the future as in the past to defend the principle of freedom of association within the law. The party re-affirms its belief that the essence of democracy is trust in the people and to rely on freedom and not in dictatorship, that public opinion may be led but not driven and that the greatest safeguard of orderly progress and reform is the sound common sense of all classes of the Canadian people.

I have stated frankly and fearlessly my party's policy toward labor and law enforcement. I stand now, as always, for law and order, for all, under all circumstances. This policy is the democratic British method and I shall apply these principles in the administration of our provincial affairs.

Earl Rowe

Leader of the Liberal-Conservative Party in Ontario

R. O. McCulloch Hopeful of Canada's Future

President of Mutual Life Addresses Annual Convention

Waterloo, Ont., August 24, 1937.—When addressing the members of the Quarter Million and Century Clubs of The Mutual Life of Canada, meeting here today in Convention, the President of the Company, Mr. R. O. McCulloch, and the General Manager, Mr. W. H. Somerville, reported on the activities of the Company for the year to date, and commented on conditions in general throughout the Dominion. It was stated that the sales of Mutual Life insurance in the first seven months of the year have been very high, exceeding the 1936 figures for the same period. In each of the seven months there has been a substantial increase in insurance in force and in the number of policies on the Company's books. Other phases of the Company's business have been equally satisfactory.

The President dwelt on the importance of life insurance, and The Mutual Life of Canada in particular, as a great social force. Turning to conditions in the Dominion he expressed the hope that by means of irrigation and resettlement schemes which are under way, the worst parts of the drought area in Saskatchewan and Alberta can be taken care of, and that farmers in the remaining areas will be able to do reasonably well with a return to more normal conditions, which Mr. McCulloch stated, he believes will come.

"If the year 1936," he said, "with the exception of the first few months, may be characterized as one of consistent recovery from the depression years 1932, 1933 and 1934, then the year 1937—at least to date, may be described as one in which there has been continued prosperity with some levelling out of business activities and some hesitancy in the upward trend of the preceding two years. It may be that it is only natural that this should be so after the rapidity of the advance made in 1936. At one time in that year the index number representing the physical volume of business was 21% in excess of the index number in 1926, a so-called normal year.

The extent of the gain is emphasized and may be better appreciated when it is compared with the low reached in 1933 when the volume was 33% below the 1926 level. The increased activity was general in nearly all avenues of business and was reflected by consecutive mark-ups in commodity prices in consistently rising stock market quotations. Bond prices were firm and interest rates were at the lowest level reached this century. Dominion of Canada Perpetual bonds were selling on a 3.11% basis, and it was a difficult problem to invest funds in safe securities yielding a return at all comparable with that which it had been possible to secure in previous years. The first three months of 1397 were a continuation of the economic experience of 1936. The trend of commodity and security prices to higher levels persisted and the activity of business resulted in a great many plants being operated at full capacity. The armament race in Europe and the announced intention of the United Kingdom to borrow Two Billion Dollars over the next five years to be spent in re-armament, provided a powerful impetus for strength in base metal prices and increased operations in the heavy industries. Newsprint and lumber companies were making rapid comebacks. A price of $50.00 per ton for newsprint was announced as a basis for 1938 contracts as compared with $42.50, the price at which 1937 contracts were signed.

Agricultural products were also sharing in this general rise, the price of wheat at Winnipeg reaching $1.50 per bushel. Unfortunately the benefit of higher grain prices was diminished by the small crop in 1936 by reason of the severe drought over extensive areas in the West, but also due to the fact that many farmers were unable to hold their grain and had sold it at lower levels in the preceding fall.

Inflation appeared to be taking hold and the attitude of Government bodies which had heretofore been desirous of promoting higher prices changed and now became fearful of the height to which they had risen and the further heights towards which they appeared to be headed. A large speculative element was entering the market in anticipation of higher levels; the "Boomlet" of 1936 was threatening to turn into a boom in 1937.

The pickup in commerce in this and other countries with the consequent growth in the demand for capital to finance production was not without its effect on interest rates and the prospect of the United Kingdom and other Countries borrowing to maintain their re-armament programme was an additional factor.

There was a stiffening in interest rates which began about half way through February and obtained its maximum about the middle of March. Since then credit has been somewhat easier and bond prices have firmed several points. The net result is that long term Dominion Government Bonds are still selling as much as seven to nine points below their high and the best quality securities may be purchased at ¼% higher yield than was possible at the beginning of the year. This has slightly lessened the investment problem but rates are still low compared with those that have prevailed during the past thirty years. The field for investment of insurance funds in Canada is more restricted than it has been for many years due to the relatively few types of securities and investments which qualify as media for the placing of (trust) funds. A characteristic of this year's industrial record has been the increase in labor controversies and in the number of strikes. Such happenings seem invariably to have come during periods of rapidly improving business conditions, as the worker finds his bargaining position stronger.

However, it is hoped that they will be kept at a minimum and that mutually satisfactory arrangements between workers and employers through negotiation and reasonable concessions by both parties may be obtained without cessation of production, which always results in less wealth to distribute and resulting loss to all concerned.

In April events took another turn, especially in the commodity and equity markets: A rumor became current that the United States would reduce the price of gold, which, it was expected, would result in the value of the United States dollar rising with deflationary effect on commodities and business. It was pointed out that the United States had nearly Twelve Billion Dollars in gold and had purchased in 1936 an amount equivalent to the output of the world and that the influx this year was even greater. It was felt that it could not afford to continue this policy especially in view of the fact that in recent months it was sterilizing the additions to the gold supply so that they would not increase the already large credit and be a further incentive to inflation. This policy meant it had to pay for these additions out of Government funds. Although the rumor was denied by Washington prices of gold and base metal stocks declined severely, followed by a drop in the price of other commodities. A factor contributing to the decline as well was the top heavy speculative position that had been built up, and the further fact that prices were so high that they had in many cases outrun the improvement that had occurred in business and the immediate future prospects. The market for industrial stocks which had developed weakness in March declined again in April and May and reached a level at one time in the latter month of 15% of its high at the beginning of March. At the present time there are those who predict there may be a more than seasonal recession in business during the next few months, based on the declining rate of new orders and the continued interruption to production because of strikes. The existing high levels of activity are said to be due to the back-log of orders previously received. Most economists feel that the public is gradually realizing that strikes are unprofitable and the danger of a continuation appears to be gradually receding, and the view is now held by many that a continuation of business activities at even a higher level may be expected for a reasonable period.

During the whole of the year to date unsettling information has been received from time to time from Europe; the Spanish Civil War is still in progress, and the advantage in the conflict alternates between the Loyalists and Insurgents. There is continual jockeying by the European powers to support the side to which they are favorably disposed.

Although at intervals the embroglio threatens to spread beyond Spain, it now appears that it will be confined to that Country. Trouble has again arisen between Japan and China in the East and the situation there may develop into a very serious one, as Japan is evidently determined to dominate Northern China. National policies of self-sufficiency and defence are still being vigorously pursued by the various nations, although there are signs that the limitations and economical foolhardiness of such policies are at last being realized and the disposition to trade more freely with other countries seems to be developing. In Canada we have two sets of problems—External and Internal. The External are these concerned with our position in the British Empire, our responsibilities for our self-defence and our responsibilities in case of war. There are also our trading relationships with British countries and other nations to be considered: The representatives of the Empire countries discussed some of these questions in London following the Coronation. Earlier in the year Great Britain had renewed with Canada the chief provisions of the Ottawa agreements of 1932 about to expire, thus giving for the time being a continuance of favorable access to the British market for many of our agricultural products.

Internally our problems come under four headings, namely, Public Finance, Unemployment, The Railway Problem and the Drought Area in the Prairie Provinces.

The Dominion and most of the Provincial Governments have still been unable to balance their budgets despite the fact that we have had nearly three years of recovery. Until budgets are balanced and Government borrowing limited our public finances cannot be considered as being on a sound basis. With a view to solving this problem, a Royal Commission has been appointed to enquire into the economic structure of Confederation. The Social Services which the Provinces and Municipalities are required to supply have outrun during the last decade and half in many instances the power and ability of these public authorities to procure the necessary funds to pay for such services, and one of the objectives of the Royal Commission will be either to relieve such public authorities of some of their obligations or alternatively give them a larger tax base in order that they may raise the additional funds which they require.

Until the report of the Commission is received, the Dominion Government is extending special financial aid to Saskatchewan and Manitoba, and is also assuming much of the cost of relief for unemployment throughout the Dominion. Alberta is the scene of an unusual fiscal experiment and the objective of Social Credit is still being pursued. In the meantime the uncertainty of the changing and unorthodox economic policies of the Government of that Province have been a handicap to recovery there and also to some extent in the rest of the Dominion.

It would appear that it is a desirable time now to reduce the cost of Government in Canada and it is to be hoped that the Royal Commission will recommend an amalgamation of some of the Provinces. There is unnecessary waste in too many costly Governments and substantial economies would be effected with resultant lower taxation by reducing the number of Provincial Legislatures and uniting the three Prairie Provinces and the three Eastern Provinces into two Provinces and Governments instead of six. The cost of unemployment and of making good the yearly deficit of the public owned railway are among the chief causes of the inability of our Governments to balance their budgets. Although there has been a considerable increase in employment, an abnormal amount of our population continue to be out of work. Many of these are no doubt unemployable. However, the cost of taking care of the unemployed is still a heavy burden on the taxpayer.

During the last few years we have witnessed an improvement in the revenue of the public owned railway, but it is still insufficient to pay its own way and the insufficiency must be met by the tax payer.

From this summary, it is evident that we in Canada have good grounds for encouragement, and while there may be reasons for not becoming too optimistic I believe that we may reasonably expect a continuation of prosperity for some time to come. We have our problems but our country is young enough and our people vigorous and progressive enough to deal with them successfully, and I believe that no country offers finer opportunities than our own.

NOTICE
CITY OF SUDBURY

The Holders of past due Debentures of the City of Sudbury are hereby required to forward same immediately and before the 31st of August, 1937, to the Royal Bank of Canada at Sudbury, with instructions to have same delivered upon payment thereof.

Interest will not be paid on said Debentures after said last mentioned date.

Dated at Sudbury, this 20th day of August, A.D. 1937.

A. J. McDONELL,
City Treasurer, Sudbury.

Adelaide-Sheppard Meeting Adjourned

Lack of a quorum at the meeting of holders of 7% first mortgage bonds of Adelaide-Sheppard Co., originally called for Aug. 20, caused adjournment until Sept. 10, 1937. The bonds are secured by a first mortgage on the Concourse Building, Toronto. At that time bondholders will be asked to vote on the following proposals:

1. That bond interest due in 1938 and 1939 be waived and the owner of the equity (Theresa Small estate) permitted to remain in possession subject to approval of the building manager by bondholders or the trustee.

2. That money borrowed on life insurance policies be diverted to payment of operating expenses instead of being held for redemption of bonds.

Under terms of a 1933 reorganization bond interest was reduced from 7% to 5% from Sept., 1933, to Sept., 1937, inclusive and was paid under the guarantee from the Small estate.

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Bond Markets

New 1937 Financing Likely To Be Smaller

Dominion May Enter Market in October, New Brunswick Loan Possible—Too Great Emphasis on Short-term Bonds

The amount of bond financing in Canada, new and refunding, during the current year to date has been considerably smaller than in the corresponding period of last year. Furthermore, there appears to be very little in prospect until later in the year

The Dominion Government refunding issue is not expected until October and apart from a possible New Brunswick offering this is the only issue on the horizon.

With revenues improving the Federal Government is not in need of new funds at present although it is possible that the amount of treasury bills will be expanded further. A large maturity, however, falls due on Dec. 1, of which about $125 millions remains to be provided for.

It is impossible to say when New Brunswick will enter the market. Earlier in the year the Government called for tenders, but the one bid submitted jointly by bond dealers was rejected. The province has been financing its public works and paving programme through bank loans.

An important factor in the New Brunswick situation is that investors and financial interests regard the present financial trend there as unsound. Deficits continue in spite of improving revenues and better business and large sums are being spent on road programmes. Continuance of the present policy may mean financial difficulties in the future.

Bond Maturities

A feature of Canadian Government finance in recent years has been the increase in short and medium-term issues offered, as compared with long-term issues. This increase in short-term issues has been due to two factors, the dependence of governments upon banks to finance their requirements and the preference of investors generally for short-term issues because of the prevailing low interest rates.

It is possible, however, that this policy has been somewhat shortsighted and that governments will have to give serious consideration to increasing their long-term financing. Should interest rates rise in the near future, it is possible they will find refunding will eat up a large part of the saving made in interest charges during recent years.

According to figures released by the Bank of Canada, the total amount of Dominion Government, C.N.R. and provincial bonds outstanding is $5,867 millions. Of this amount, about $982 millions matures within the next three years and about $2,500 millions in the next 10 years and $4,400 millions before the end of 1958.

These figures provide a striking contrast to the situation in Great Britain and France. In Great Britain two-thirds of the national debt is either irredeemable or matures later than 30 years hence, and in France at least 20% of the debt is irredeemable.

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Debt Distribution

Another factor which should be given consideration is the tendency in Canada at the present time toward an economically unsound distribution of debt among bondholders. Mention has been made in this column from time to time of the dependence of governments in recent years on the banks. At the present time Canadian banks hold $1,266 millions of Dominion Government and provincial securities.

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Alberta Bonds

The deadline for registering of holdings of Alberta bonds with the Alberta Government has passed, but no announcement has been made as to the response. It is safe to say, however, that registrations amount to only a very small percentage of outstanding bonds, especially since the bondholders' protective committee, which represents a large amount, including institutional holdings, advised against registration until such time as the Government disclosed the details of the plan it had in mind for dealing with the bonded indebtedness of the province.

There has been considerable speculation as to whether the plan which the Government has in mind is similar to that suggested by Major C. H. Douglas to Premier Aberhart last year, when default on its bonds first occurred.

Major Douglas suggested that bondholders be informed that a credit in Alberta of the amount of the face value of the bonds, plus 15%, has been opened with the provincial treasury in their favor, and that this credit would be available for the purchase of any product in Alberta at the prices ruling at the time that the credit is drawn upon.

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Abitibi Comments

As may be expected the Abitibi reorganization plan has brought opinions both for and against. The members of the Dominion Mortgage & Investments Assoc., who are holders of about $8 millions of bonds out of $48 millions outstanding, have announced their support of the plan advanced by the bondholders' committee. L. S. Jackson & Co., Montreal, also consider this plan most advantageous to bondholders and are advising their clients to enter the Abitibi situation, if they are interested, through the medium of the 5% bonds.

A group of western Canadian bondholders has elected a committee of Winnipeg and Minneapolis men and find reasons for opposing all plans that have been mentioned so far.

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Bond Index

The Financial Post index of high-grade Canadian Government bonds shows the trend of prices in the past week and is given below.

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Aug. 24	114.27	3.221	Aug. 24	117.50	3.000
Aug. 23	114.17	3.236	Aug. 22	117.50	3.000
Aug. 21	114.20	3.233	Aug. 21	117.50	3.000
Aug. 20	114.29	3.226	Aug. 20	117.51	3.000
Aug. 19	114.46	3.206	Aug. 19	117.48	3.003
Aug. 18	114.51	3.200	Aug. 18	117.56	2.997
Aug. 17	114.49	3.201	Aug. 17	117.56	2.997
Year's	3.206	116.81	Year's	2.966	117.91
Range	3.506	111.60	Range	3.597	111.50

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Security Offering

Stedman Bros. Ltd.

Complete subscription is reported for offering by Harrison & Co. of 6,000 shares of $50 each of 6% preferred stock of Stedman Bros. Ltd.

Particulars of the offering follow:

$300,000, 6% Cumulative Preference Shares.

Stedman Bros. Limited

Company — Operates retail smallware business in Ontario, Quebec and Maritimes with 43 "Stedman 5c. to $1" stores; incorporated 1912 under Dominion laws.

Capital—Authorized: $500,000 preferred stock, shares $50 par, 120,000 no par value common shares; to be issued $300,000 preferred and 90,000 common shares. No funded debt.

Sales and earnings — 1936 sales were 164.1% above 1932 volume and in 24 weeks ended June 19, 1937, increase over 1936 was 41.2%. Net profits after all charges rose from $35,813 in 1932 to $178,485 in 1936 yearly average for 5¼ years being 5.8 preferred dividend requirements of $18,000.

Working capital—Current assets $744,17[illegible] at June 19 after allowing for this issue current liabilities $35,379, leaving net current assets $708,797.

Conversion—Each preferred convertible into two common shares.

Redemption — Preferred redeemable at $55 a share on 30 days notice.

Dividends — Accrue from Sept. 1, 1937, payable quarterly, Jan., April, July, Oct. 1.

Purpose of issue — To retire $114,600 of 7% preferred being redeemed Sept. 1, 1937 to retire loans from shareholders and directors and to increase working capital for expansion.

Offering—6,000 preferred shares at $50 a share to yield 6% by Harrison & Co., Toronto.

Connaught Co. To Reorganize

Hotel Bondholders to Vote Sept. 24 on Proposed Refinancing

Holders of the 6% second mortgage bonds of Hamilton Hotel Co., assumed by Connaught Hotel Co., are meeting on Sept. 24, 1937, to consider a reorganization plan for the company. This step is being taken under the Companies Creditors Arrangement Act, 1933, requiring assent by 75% of bonds represented.

Present capital structure of the company is as follows:

	Outstanding $
1st mtge. held by Metropolitan Life	344,000
1st mtge. held by Sanford estate	200,000
6% gold bonds of Hamilton Hotel Co.	254,500
Gen. mtge. debenture stock:	
Series A	440,075
Series B	400,000
7% prior preferred, $100 par	174,000
7% preference, $100 par	149,500
Common, n.p.v.	2,500 sh.

The first mortgage held by the Metropolitan Life Insurance Co. matured Oct. 1, 1934, while the 6% first mortgage held by the estate of Hon. W. E. Sanford matured Jan. 1, 1935. Both were temporarily extended and now become due early in 1938. Interest has been paid to date on the first mortgages and the 6% bonds. Interest on the series A debenture stock is in arrears from May 1, 1932, while no interest has been paid on the series B debenture stock.

Proposals being made can be summarized as follows:

(1) A new 10-year 5½% first mortgage for $700,000 is to be given to a single mortgagee.

(2) The first mortgages held by the Metropolitan Life Insurance Co. and the Sanford estate are to be paid off in full.

(3) Holders of 6% gold bonds are to receive $25 in cash and $75 in second mortgage bonds, plus interest to Dec. 1, 1937, for each $100 of bonds held.

(4) Holders of each series of debenture stock will receive $50 new series B debenture stock for each $100 of present debenture stock held.

(5) Holders of each prior preferred share will receive seven shares of new common.

(6) Holders of each preference share will receive four new common shares.

(7) Holders of each present common share will receive three new common shares.

This will reduce capital by the $448,840 which is no longer represented by assets. As part of the plan George A. Ross and C. A. Ripley agree to arrange for a corporate mortgagee to accept the new first mortgage and agree to buy $74,962 of the new series B debenture stock at a price which leaves the company with net current assets of not less than $50,000. Vernon G. Cardy agrees to sign a contract to act as manager for ten years from Dec. 1, 1937. The remuneration of the general manager, executive committee and directors is to be not more than 2% of gross receipts of the company.

Upon completion of this reorganization plan, the capitalization of the company would be as follows:

	To be author'd $	To be outstand'g $
5½% 1st mtge.	700,000	700,000
4% 2nd mtge. bonds, due Dec. 1, '52	190,875	190,875
20-yr. inc. debenture stock:		
Series A	100,000	......
Series B	495,000	495,000
Common, n.p.v.	41,840 sh.	41,840 sh.

The financial position of the company at Dec. 31, 1936, is given as including current assets of $44,620 and current liabilities of $126,316, leaving an excess of current liabilities over current assets of $81,696. Current liabilities include real estate taxes of $28,393 and bank loans of $22,250. Total liabilities of the company were $2,239,391 at Dec. 31, 1936.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Cons. Rub.	6%	1946	Oct. 1	110
B. Amer. Oil†	4%	1945	Sept. 1	102
Dom. Coal, 1st mtge.	5%	1940	Oct. 1	105
Do., s.f. deb.	6%	1955	Oct. 1	100
Prov. L., H. & Pr.	‡5%	1946	Sept. 1	105
Silverwoods	7%	1937	Sept. 1	100
Que. Power, A	5%	1968	Sept. 1	103½
Religious Issues:				
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

†For sinking fund purposes, $207,000.
‡For sinking fund purposes $58,000.

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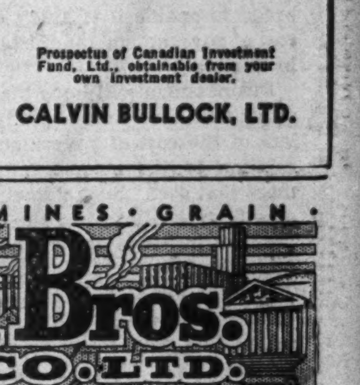
Bond Tenders

8 p.m., Aug. 30, Parish of St. Colomb de Sillery, R. C. School — $42,000, 4%, dated Aug. 1, 1937, due serially 1938 to 1957 inclusive. A. Dallaire, sec.-treas.

7 p.m., Aug. 30, Village of St. Joseph de Grantham — $75,000, 4½%, dated Aug. 1, 1937, redeemable serially 1938 to 1967. H. P. Precourt, sec.-treas.



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TORONTO, AUGUST 28, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Why Don't Taxes Come Down?

THE terms of reference of the Royal Commission on Public Finance are sufficiently broad to enable it to study any phase of the cost of government and the burden of taxation in Canada.

Businessmen will hope that the Rowell enquiry will have time to study the basic problem of the cost of government in Canada in relation to the income the people have to meet that cost. Such a study is not the most specific task allotted to the commissioners to perform but it is one of the most important none the less.

Present taxation in Canada exerts a very considerable drag upon initiative and enterprise. In a great many people, that condition excites alarm. They do not believe in initiative or enterprise except such as might be able to exist in a completely socialized state. But since the country has not yet committed itself to the policies of the scholarly reformers in the Co-operative Commonwealth Federation, it is well to assume that the free play of ambition and driving energy in the individual businessman will continue to be regarded as factors making for constructive national development and the well-being of all the people. That being so, such forces should not be repressed and deadened by wasteful and bureaucratic governmental expenditure and excessive taxation.

The theme "Why don't we get taxes down?" might well be an important subject for Messrs. Rowell, Dafoe, Turgeon, Angus and Mackay to look into

Panaceas for Drought

MANY proposals have been advanced for the solution of the drought situation in western Canada.

As in all issues of such magnitude, there are both professional and amateur opinions advanced. Some of them are put forward with more vigor than understanding.

It is suggested, for example, that all that is necessary is to leave the drought area alone, assist the residents to stay on their land, and Nature will arrange with the weather man to solve the problem.

It is suggested by others that the answer lies in planting trees to conserve moisture, in going in for mixed farming, in rotation of crops, etc., proposals that are apt to appear very foolish to farmers in at least some of the areas.

Much propaganda is being put behind irrigation proposals, diverting the streams that flow into the Pacific or into Hudson's Bay to cause moisture to soak through or run on to the parched ground of southern Saskatchewan.

The defeatist view that the areas should be abandoned and allowed to become another Sahara has many adherents.

The problem is one that calls for the joint study of engineers, soil experts and agricultural economists. Ottawa has a committee working on the problem, but it is desirable that it should not take several years to make up its mind as to what the proper course of action is.

The minister of agriculture could choke off a good deal of uninformed discussion by releasing periodical reports on the studies that have been made and by offering the opinion of experts on proposals that have been advanced.

Everyone is interested in the problem. Everyone wants to help. But the situation is becoming rapidly confused by the publication of too many ill-informed views and not enough authoritative, understanding opinion.

The probability is that there is no one solution for dealing with the entire problem; that a well mobilized campaign must be waged along many fronts.

In any event, there is reason to hope that the editor of the Sunday Dispatch of London did not exaggerate when he wrote in his paper the other day:

"Whatever solution is attempted the world will shortly watch one of the most romantic passages in the history of any people and see again demonstrated that refusal of British stock to be defeated by Nature."

Light Dawns in New Zealand

NEW ZEALAND has in power a Socialist Government elected on a platform that promised prosperity and a higher standard of living for all through a programme of economic planning. The Government in its little more than a year of office has moved slowly to implement its platform. There are now signs of disillusionment as to the possibilities of making all citizens wealthy by passing laws.

New Zealand's plan was to make Labor happy by minimum wages and farmers happy by minimum prices. Apparently, any new money that might have been needed was to be found by utilizing the national credit and the facilities of the central bank for issuing currency. The programme has a familiar ring to Canadians. Similar ideas have been advanced here.

The guaranteed price to farmers has been attempted only in connection with exported dairy produce. The Government was down £2 millions on the first year's operations a couple of months ago, but it looks now as though it may be extricated from the threatened loss by a rise in British prices. Nevertheless, the farmers are demanding more money to compensate them for their increased costs which are chiefly the result of other legislation in the field of wages. It is not considered likely that the guaranteed price will be extended to other farm produce such as wool. Handling dairy products has given the Government enough trouble.

Not much advantage has been taken of the Government's ownership of its central bank to create "wealth" by large issues of currency notes and public loans. The "new economic and political outlook" in the Government's monetary policy has existed more on paper than in practice, which indicates that sound judgment is not entirely missing from even this ambitious radical Government.

New Zealand politicians apparently learn more quickly than those in Alberta. They are slowly abandoning their original notion that everyone can be made wealthy by a process of robbing everyone to give to everyone. They are d i s c o v e r i n g that laws, which take from one class in the community to give to another, do not add to the total wealth of the community.

New Zealand's present boom is the product of natural economic forces working to improve the overseas prices of New Zealand's exports. That process is providing the whole nation with more wealth to distribute and it makes everyone better off.

Ministers as Executives

THE most obvious weakness in the Canadian cabinet system is that the ministers have to spend so much time in Parliament when they have important administrative duties to attend to. Some of this time is spent answering questions that could be as well answered by juniors; some in mending political fences; and some in placing policies and plans before the members.

Prime Minister King has in mind remedying the situation by adopting the British system of appointing junior M.P.'s as parliamentary undersecretaries to the ministers and letting them represent their ministers in Parliament when the latter are particularly busy.

The United States cabinet system has many advantages. Under it, the president is able to comb the country, if he wishes, for the best men to occupy the different executive posts at Washington. He need not consider whether or not they could be elected in some local constituency. Nor need he ever appoint a man to a cabinet post as a reward for faithful service to the party.

In the United States members of the cabinet are in no sense ministers responsible to Congress. In fact they are responsible to no one but the president. They are employees of the state, and the administrative heads of the different governmental departments. They are expressly forbidden to sit in Congress just as are any other employees of the government. The president appoints them. He must obtain formal approval of the Senate but once they are appointed he alone can remove them from office. They work for the government but they have only one boss; the president. And he is not called upon to discuss broad matters of policy with them. The president often acts without telling his cabinet what he plans to do.

Lacking a cabinet to frame and initiate legislation, the United States Congress has parcelled out the work among committees of its members in both houses. The chairmen of these committees are often men sympathetic to the administration and, in effect, represent the cabinet ministers in the Senate or the House of Representatives.

The weakness in the link between the cabinet and the Congress was recognized when the Confederate States met to draw up their own constitution. They gave to the Congress the right to pass a law granting to the principal officer in each executive department a seat upon the floor of either House with the privilege of discussing any measure appertaining to his department.

This was an obvious effort to graft upon the American system a feature borrowed from the English cabinet system.

A still later constitution based upon the American plan was that of Hawaii adopted in 1887 and 11 years before the country was annexed by the United States. Here the cabinet ministers were appointed by the ruling monarch but the legislature was given the power to dismiss them for want of confidence.

It will be seen that there are imperfections in both the Canadian and American systems. Here the responsibility of the minister and the cabinet to Parliament is abused and interferes with administrative activities. In the United States the gulf between Congress and the cabinet is not adequately bridged.

Appointment of undersecretaries will help. But we could afford to go farther and give the prime minister the privilege of appointing to his cabinet men of proven executive ability whether they are elected M.P.'s or not. They could be represented in the House by undersecretaries and chairmen of committees and, for that matter, might be permitted to debate—if not vote upon—matters pertaining to their departments and coming up in Parliament.

Uniformity in City Accounts

A FORWARD step has been taken by the Dominion Government in convening in Ottawa a conference to discuss the possibility of greater uniformity in municipal statistics.

There is no phase of Canadian statistical data where the need for improvement is greater. The root of the matter, however, lies in municipal accounting methods. A solution of the problem can only be attained by the various provincial governments passing appropriate legislation to force municipalities to set up their accounts according to a standard basis.

So bad are the accounting methods utilized by a great many Canadian municipalities at present that it is impossible for the average investor to understand their annual reports. In some cases, in fact, even experts are baffled. Accounting methods vary from municipality to municipality.

A notable example of bad accounting methods is the City of Quebec. Reports of this city have been more confusing than enlightening. Revenues and expenditures were allocated to several separate accounts and it is doubtful whether city officials themselves knew the state of the city's finances. So bad did the situation become that it was recently found necessary to reorganize the treasury department, put a chartered accountant in charge and make a complete audit of the city's books for several years in order to determine the city's financial status.

Through provincial departments it should be easy to supervise the appointment of municipal treasurers and to secure greater uniformity of accounting methods. After consultation with experts, appropriate legislation could be passed outlining a standard accounting practice for municipalities.

Editorials in Brief

Mayor Andrew Davison of Calgary calls the Aberhart Government "a comic opera government."

But comic opera is all fun and no tragedy.

• • •

"The resort advertiser who shows a beautiful string of game fish caught by one of the cash customers is never asked by hopeful customers to support the evidence with affidavits."—*Advertising Age.*

But even resort managers can be restrained in their sales enthusiasm. We received a letter the other day from one of them who said modestly, "Most of our guests have had satisfactory fishing results this year."

• • •

The "largest single advertising campaign ever planned for one magazine" has just been arranged. The Radio Corporation of America will publish a monthly "magazine within a magazine" in Life.

Chief source of radio income is advertising. Yet when it wants to do a real advertising job for itself, radio has to fall back upon the long-life, widely read, dynamic pages of a magazine.

The incident is merely another proof that each class of advertising medium has its own place to fill and one class cannot and need not displace another.

• • •

The Globe and Mail, Toronto, prints an interview with a labor organizer who declares that average wages paid men in one textile plant in Ontario are below $15 a week for a 60-hour week. "There are a thousand men who are lucky to get $12 a week the year round," the labor man is quoted as saying.

This statement, and others referring to hours of work and plant conditions under which employees labored, were later flatly denied by the company concerned.

The Textile Enquiry took evidence for months and no such charges were laid before it.

Ontario now has an Industrial Relations Board under a farmer chairman. It is presumably investigating conditions in this very plant at the present time. Its report, when ready, should be given the widest publicity. It may confirm the labor leader's statement; it may show him to be wrong.

If an industry cannot or does not pay its men a living wage for a week of reasonable length, there is obviously something wrong, either with the men at the head of the industry or with the conditions surrounding the operation of the industry. But full and dependable information should be made available to enable the public to judge whether something is wrong or not.

Sayings of the Week

"I am sure of very little and I wouldn't be surprised if those things were wrong."—*Clarence Darrow.*

• • •

"I believe in collective bargaining instead of collective butchering." — *Premier Mitchell Hepburn.*

• • •

"There will always be a multitude who are congenitally unable to think straight."—*Charles E. Hughes.*

• • •

"Only twice in history has there been such moral bankruptcy as there is today."—*Dr. Harold Lynn Hough.*

• • •

"Europe is learning from hard experience what it would not learn from Dickens." — *George Bernard Shaw.*

• • •

"Income and estate taxes create an orderly movement to diffuse swollen fortunes more effectively than all the quacks." — *Herbert Hoover.*

• • •

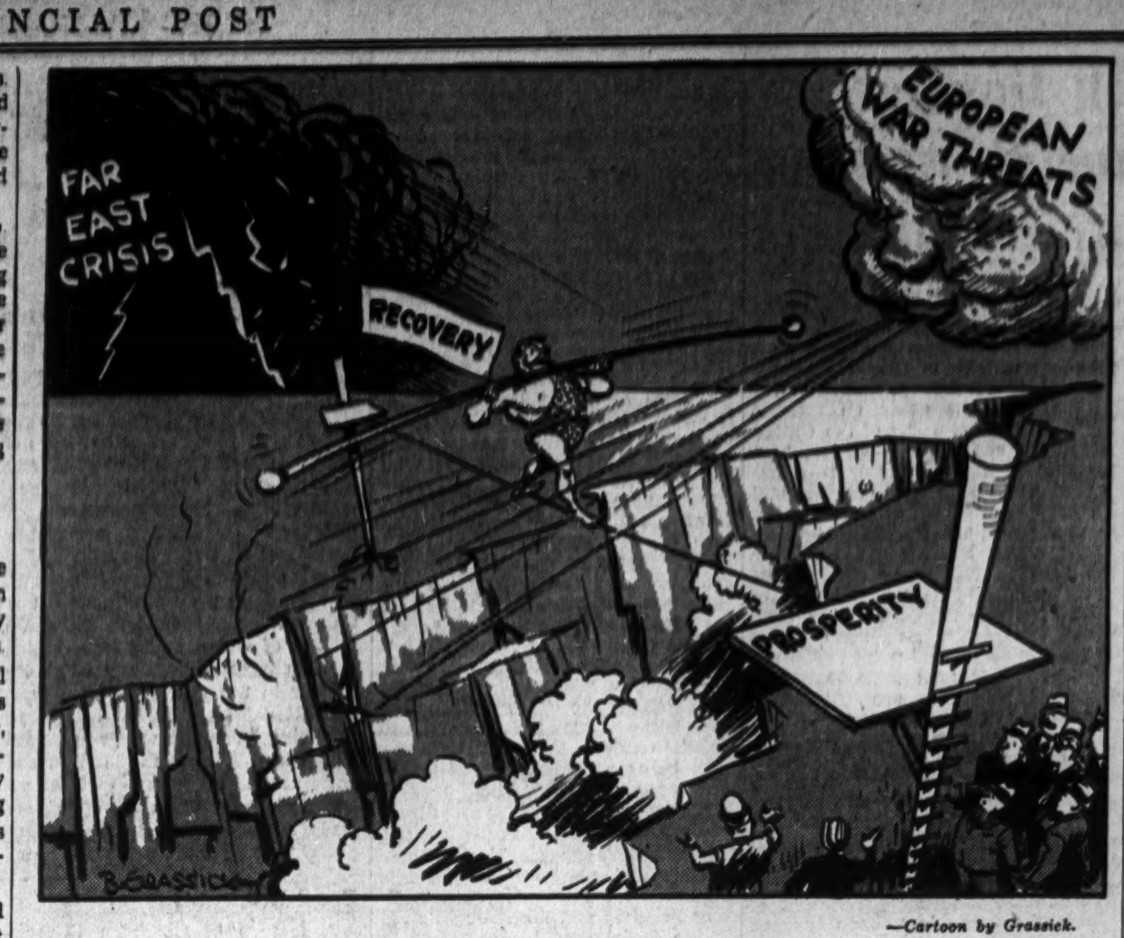
"I see constant peril from apparently well intentioned people creating situations that will rob me and all of us of the fruits of the last generation's labor."—*David Lloyd George.*

• • •

"The most subtle type of revolution which confronts the American democracy today is that which is easily and silently possible through taxation."—*Nicholas Murray Butler.*

• • •

"If somebody didn't mention it I probably would forget I had a birthday coming. If you eat right, sleep right, work right, the passing of the years makes little impression on your feelings."—*Henry Ford.*



THE TIGHT-ROPE WALKER

—Cartoon by Grassick.

I Live in a Town. . . And Like It!

By R. J. Deachman

For years I lived in cities—large, medium and small. Now I live in a town and like it. There are reasons why I should. Truth to tell I was never enamoured of the big city with all its mechanical forces of action, its massed fuss, its feeble accomplishments. We should mold to our needs the place we live—but this can't be done in the city—the city fashions our lives to its own varying whims.

In the town living costs less—one gets more for what one gives. In the cities we pay much for little. In the town we get a run for our money. A lot, 100 feet wide and 200 feet deep, seems like a farm in a city. It would cost almost as much. In the town it costs relatively little and gives more joy and satisfaction. It is open to the air and the sun. Grass, fruit and flowers grow better. If you doubt my statement come up and see me sometime, when strawberries and raspberries are ripe, or when the new corn is ready for the pot.

Housing Costs Less

Then building and maintenance cost less in the town than in the city. Taxes may be nominally high, especially of late years, but valuations are lower and that all important item of existence is not so great a burden in a town as it is in a city. Transportation costs less. Street cars and taxis are scant items of the expense account. You are closer to the sources of supply of the necessities of life, and there are ways of cutting costs which cannot be done in the larger centres.

In the city you are called upon to keep up with the Jones family. Personally I don't like them. They think more of their clothes than they do of their thoughts—quite frequently I wonder if they really think. The larger the city the higher the standard of living for those who can afford it, but to the man content with a reasonable life, the higher the standard of living, the lower the standard of comfort. In the city you pay for things you do not get.

The greatest things in life are difficult to purchase with money. The list would include: breakfast alone with a morning paper, time to think, a quiet place to sleep, and friends capable of understanding. These dearest whims are always accessible in the town—not always in the city.

Then I like the way things are organized in the smaller places. They meet the needs of the people who use them. Golf fees are less because management costs little. The club house is not so elaborate. No white coated waiter serves you ardently with longing hopes for generous tips. The course is not so smooth, but your chance is as good as the other fellows and the "greens" are all that could be desired.

Almost every town has a bowling green. The fees are low so that everyone may play.

Now these things succeed in the town because there are men of executive capacity who direct and encourage them and do it not for what they get but for the joy of doing something worth while—something which adds to the joy and happiness of life in town. All this serves to encourage a community spirit, a competitive enthusiasm which survives without bitterness or rancor. The human race may live without democracy—perhaps without government of any kind, but it is lost if it fails to hold its capacity to play.

Victory is not everything—neither is money—the game is the major part of life.

There is more gossip in the smaller places, but it is rarely malicious. Everybody knows if you have been to church or out of town, or under the weather. It all rises from a closer intimacy which brings a keener interest. The man in the town knows that business is better because John Smith's crop yield will be higher. In the city he measures things by curves and graphs. In the town the question is—what of the growing crops.

The farmer is close to the soil and the town is close to the farmer. Mass impulses sway the city, but individual initiative begins further back. There is in our cities an intensive localism which sees nothing save that which they deem to be their own immediate interests—it's a choking influence on our national life. The city knows little of the country and cares less. It cannot be interpreted to the country nor the country to the city—one is too far from the other, but the town knows the country and the country knows the town because their interests are the same—they dwell in unity together—at least, in unity of thought.

Yes, I am glad I live in a town.

But a tale without a moral is not a tale at all. Economic circumstances modify conditions. All over the United States the movement of manufacturing industries is from the large cities to the towns. Trucks and electric power have altered conditions. The towns are coming into their own. The next census will reveal a similar trend in Canada—a healthful happy movement toward a better life.

Price Maintenance Battle . .

Drug Merchandising

The price maintenance issue is fast approaching a climax. Throughout Canada and the United States, various opposing interests have clashed in a fight over the application of this merchandising policy, and it looks as though there will be a real battle before the issue is settled.

Already some of the alleged stalwarts have shown a tendency toward weak-knee-itis by succumbing to the ridiculous demands of certain retailing concerns. The ends to which a few manufacturers have gone in meeting such demands is nothing short of appalling, and the fact that some retailing organizations in this country have the gall to ask such unwarranted concession is nothing short of amazing.

By that we are not referring to the legitimate type of allowances made to retail concerns in return for advertising, display and other services. Admittedly some of these arrangements are open to question as to whether proportionate value is given, but they smell like perfume alongside the odoriferous type of racketeering which has recently been introduced by some retailing concerns in this country and for which a few manufacturers have fallen. Such practices are shocking to one's sensibilities. They indicate an infiltration into this country of racketeering and business crime such as has characterized other countries but from which we have in the past been reasonably free.

If business in this country is to be kept clean and made worth while for the decent people who still remain in the majority, these self-same people will have to stir themselves to see that something is done to stop the spread of the disease. The racketeers are taking advantage of the inactivity and apparent disinterestedness of Canadian trade associations, to ply their nefarious trade aggressively. They are getting bolder and bolder, and some few manufacturers are already falling for their demands.

Fortunately some others are showing enough intestinal fortitude to oppose them. It is high time for the drug trade of this country to take some joint action, representative of the views of the soundest businessmen, to put a stop to the spread of base practices which, when fallen for by manufacturers, results in nothing short of bribery of certain retail organizations to maintain the manufacturer's suggested resale prices.

New legislation having a bearing upon resale price protection is appearing in generous measure and is only exceeded in quantity by the number of ingenious schemes and rackets for undermining that selfsame principle. There are many interesting and important angles, involving the question of whether our Combines legislation in Canada today is accomplishing its avowed purpose or whether it is unintentionally playing into the hands of certain people whose purpose is far from looking after the public interest.

Editor's Note: Drug Merchandising is currently publishing a series of articles on this subject which it terms one of the most important merchandising issues in Canada and the U.S. today.

Other People's Views

Separate Country
Windsor Star

Mr. Aberhart and his ministers seem to be proceeding on the theory that Alberta is a country by itself. Perhaps the next thing we hear they will be suggesting establishment of an Alberta tariff schedule, with customs officers—and maybe immigration men, as well—on the provincial boundary lines.

"Whom the Gods Would Destroy . ."
Ottawa Journal

It is said that "whom the gods would destroy, they first make mad." The gods would seem to have been working on Alberta's Mr. Aberhart for some considerable time, but that they have at last succeeded with him can no longer be a matter of doubt.

Mr. Aberhart, unquestionably, is riding for a fall, heading for destruction. The trouble is the harm he may do, the trouble he may bring, before the destruction comes to him.

The Boss Takes Over
Sunday Dispatch, London

The story is told that when Mr. Neville Chamberlain became Prime Minister he arranged a Cabinet discussion on foreign policy.

Each minister was asked to state his views, and there was a fairly long exchange of opinions. Mr. Chamberlain did not take any part in the discussion. He sat back and listened.

When the discussion was ended he is said to have surveyed his 20 colleagues with a calm eye and addressed these words to them: "I think that I can now appreciate your views, gentlemen, and I suggest that the best course we can adopt is to leave foreign policy in the capable hands of the Foreign Secretary and myself."

To this there was no audible dissent. This week M.P.s were taking off their hats to Mr. Chamberlain.

He has followed his own suggestion with decisive action, and introduced not only single control but realism into our foreign policy.

On the Way Out
Brantford Expositor

It is quite evident that all is not plain progress for the C.I.O. Already it has created division and strife within its own ranks. There is accumulating evidence that both in the United States and Canada when a clearer view of things is possible, the rank and file of workers, who owe so much to the great labor organizations that have worked for the advancement of their members by legitimate methods, will refuse to throw away the advantages they have gained by supporting a movement and advocates the use of violence to bring about its ends.

"Downtrodden Workers"
The Toronto Globe and Mail

The United Mine Workers' Union, nucleus of the C.I.O., had a balance of $3,563,772 in the treasury as of June 1. Having donated $600,000 to the Roosevelt campaign, loaned $50,000 to the Democratic National Committee and spent an estimated $346,000 on the automobile and steel strikes, the auditor's report shows a gain of $808,790 in dues since Dec. 1. Recently John L. Lewis set out to raise $1,200,000 in three months. For the first time we get the gist of his reference to the "downtrodden."

Post-Scripts

Ontario Fools Bankers

HEAD office of the Imperial Bank in Toronto prides itself on being one of the most up-to-date office buildings in Canada. It is fully air-conditioned and the head office staff usually adopt a high and mighty attitude to the sweltering heat of Bay and King Streets.

Not so one day last week. Despite thermometers and thermostats the atmosphere turned heavy and hot. Tempers were at a breaking point. Apparently the much-famed air-conditioning system had fallen down.

Actually it was Lake Ontario that had pulled a fast one.

This same Lake Ontario is praised throughout the land as a thing not only of beauty but of great economic value, for its temperature is customarily so cool that water from the lake can be introduced direct into air-conditioning systems without the necessity of expensive cooling apparatus.

The other day, however, the unexpected happened and Lake Ontario sizzled up to 78 degrees. As a result hot water, not cold, poured through the Imperial Bank system with sweltering results.

StopMe If You've Heard This One . .

Best story of the week was told to the Canadian Club at Toronto by Norman Birkett, K.C., eminent British counsel and official representative of the British bar at the annual meeting of the Canadian Bar Association.

Said Mr. Birkett:

"I am a great believer in democracy. You can therefore imagine my transports of delight when driving on one of your highways recently to read the sign: 'Duchesses—15 cents.'

"Even when I found that it only referred to apples I still felt the thrill of what I had read. Imagine—Duchesses—15 cents."

In the Mail. . . .

Thesaurus Again

Editor, The Financial Post:

In The Financial Post of Aug. 7 there came an S.O.S. on your editorial page—"Quick! A Thesaurus"—in connection with the following paragraph from a letter in a Toronto newspaper:

"In fundamental astronomical and periodic computation it coherently appears that inconsistent economic repercussions embracing an international magnitude, are deeply ingrained in a cumbersome sequence, etc., etc."

This reader was forcibly reminded of your reaction to the foregoing, by the following words with which Premier Aberhart concluded his recent telegram to the Federal Government:

". . . . Yet you rebuke the Alberta Government for merely circumventing repeated surreptitious sabotage of its laws by bankers' obscure nominee appellants."

It seems to me you'd better keep that Thesaurus handy. At the same time, please do what you can to keep the price of wheat at today's modestly remunerative levels and, in due season, you may hand the book to Principal Aberhart. He will need it.

ALBERTAN.

Irrigation in Drought Area

Editor, The Financial Post:

As a long-time reader of your paper I am somewhat disappointed with your editorial of July 31. As a large owner of lands in the district and representing most of the land and mortgage companies operating within a radius of 60 miles, I am well versed in the situation as it effects the farmer and the investment companies. We hear the words rehabilitation and immigration but these words are meaningless in this part of the country without irrigation. If we have rainfall, or water is brought to the lands the problem will soon be solved. We know from the long-time records that rainfall in the treeless areas of the West is below what is required to raise an average crop of wheat. We have wet and dry cycles but the dry cycles are the longest and the dry seasons in the majority.

Large areas of the West never should have been opened for settlement. This mistake must be corrected by the Government of Canada who was responsible for it in the first place. The people on the submarginal lands must be reestablished and the only way you can do it is to make it possible for them to make a decent living. If you irrigate you will make room for those on poor lands. There are large fertile plains which can sustain a large population if water is supplied every season at the right time.

The large rivers of the West drain into the Pacific and Hudson's Bay. If this water could be diverted it would serve the people on the plains. You will say that a project of this kind will cost a huge sum and I agree, but if you stop and figure for a minute, what it has cost the country to not do the work there is a different story.

To date the various municipal, provincial and the Dominion Governments have spent close to a billion dollars and they are not through. They haven't a cent to show for the money spent. I venture to say that the cost of an irrigation project to cover the irrigable lands of the West will not cost the Government what it will cost to carry the people on relief for the next two seasons.

CALVIN SNYDER.

Eatonia, Sask.

Prices of Plumbing

Editor, The Financial Post:

In the July 3, 1937 edition of The Financial Post, there appeared an article supposedly written by The Bank of Commerce entitled "Are costs too high?"

This article, from its contents, evidently was written by someone connected with the Home Improvement Plan and is intended to convey to the public at large that building costs have not been excessive.

If the Bank of Commerce, or anyone else wish to give the public any information, why do they not compare Canadian prices with United States prices for the same class of materials. Let them try and explain why we in Canada should pay from 50% to 100% more for our plumbing materials than the people of the United States. Let them explain why we should pay 100% more for a 30-gal. galvanized range boiler than we did in Canada on August 8, 1931 and why we should have to pay 33-1/3% more for a 22-gal. galvanized range boiler than we did for a 30-gal. boiler on August 8, 1931.

Then again, if writers of articles wish to give the public some real information, let them inform us why manufacturers and jobbers are so anxious to peddle one piece toilets to unsuspecting persons at prices two to three times the cost of present serviceable equipment. Are these one piece toilets supposed to be for modernization of our homes or are they for the purpose of impoverization of the owners of such equipment? For example, let the prospective purchaser of a one piece toilet ask the salesman how much it would cost if the bowl or tank got cracked or broken, then he or she will get an idea of present day modernization and excessive prices.

I, and many others, feel that we would be a whole lot better off in Canada if we bought United States goods and paid the duties imposed.

I might venture to say that prices for plumbing goods in Canada are the highest in the world.

JOSEPH R. GUILDFORD.

Regina.

Editor's Note: An independent authority in the field of sanitary engineering offers this comment on Mr. Guildford's letter:

"As far as prices of galvanized range boilers are concerned, it is true prices are considerably higher than in 1931, but so they are on every type of equipment involving use of metals. Steel, zinc, wages and other materials have all advanced considerably in price. But Canadian manufacturers still are under a very definite controlling influence because there has been a lot of plumbing equipment such as range boilers come into this market from the U.S. at very low prices of late, and also a tremendous amount of second-hand plumbing equipment taken out of U.S. buildings under their Federal Housing Act loan scheme. Mr. Guildford says Canadian plumbing goods prices are 50% to 100% higher than in the U.S. There is certainly no such tariff protection."

He adds that in the plumbing equipment field the one piece toilet has been accepted as the "last word"

Week in Business

Retail Buying Benefits By Better Farm Returns

Despite Wheat Failure, Total Agricultural Revenue Expected to be Best Since 1929 — Strike Picture Clearing

New wealth from current farm crops is now beginning to bolster purchasing power throughout the Dominion and should be the main factor in boosting fall business next month. Much has been heard of wheat failure in Canada but it should not be forgotten that despite this failure total farm revenue this year will still exceed that of 1936 by a very wide margin. Farmers are expected to be in the best position since 1929 to absorb urban manufactured goods.

* * * *

Substantial net advances in the price of wheat is one reason for the increased rural prosperity this year. Last fall Alberta farmers, for instance, averaged only a little over 50 cents per bushel at the local elevator. This year they should receive over a dollar. And in both Alberta and Manitoba at least they will have more wheat to sell as well.

* * * *

Another and more important reason for the farm gain, however, is the very big improvement in other lines of production. Beef cattle are worth almost twice as much as a year ago and hogs are certainly no lower. In eastern Canada much heavier feed crops have been produced and this will mean that farmers will have more money to spend on automobiles, clothes, furniture, new building and such commodities. Income from cash crops like fruit, vegetables and tobacco promises to be larger.

* * * *

Summer retail buying both in Canada and United States does not appear to have quite lived up to the high expectations of three months ago. For this, the weather is largely blamed. While on the whole there has been plenty of warmth, probably more than last year in spite of the record heat wave, hot days have been followed too quickly by abrupt drops in temperature and throughout late July and early August humidity remained abnormally high. This condition has checked purchases of summer apparel and hot weather foods, has impeded travel and has generally dampened enthusiasm. Despite the wide fluctuations from day to day, however, it is now fairly certain that Canada is enjoying the best tourist season since before the depression and may indeed yet establish close to a record.

* * * *

Canadian business enters the fall season with the labor picture very definitely brighter. Textile strikes appear to be largely settled in Ontario with production again close to a maximum basis. There should be no difficulty now in catching up with autumn and winter orders. Of still more significance is the recent improvement in the Quebec textile field. This trouble has not been completely settled by any means, but several of the affected mills are now on a production basis and trouble seems on the wane.

Not so long ago there was considerable and well-founded anticipation of widespread labor tie-ups not only in the textile field of both provinces but also in steel, newsprint and possibly mining production. Better returns which permitted pay increases well in advance of demands from labor have largely eliminated sources of possible friction.

Business Indicators

Trade — All factors show gain over last year with the best increase made in wholesale trade which has been running 12% better.

Railways—Notwithstanding shrinkage in grain movement as compared to the first 7½ months of 1936, carloading and gross revenue of both main Canadian railways continue to register gains.

Business indices—While D. B. S. weekly index for Aug. 14 registered a fractional decline from corresponding week in 1936, The Financial Post index for July shows more than 13 points above.

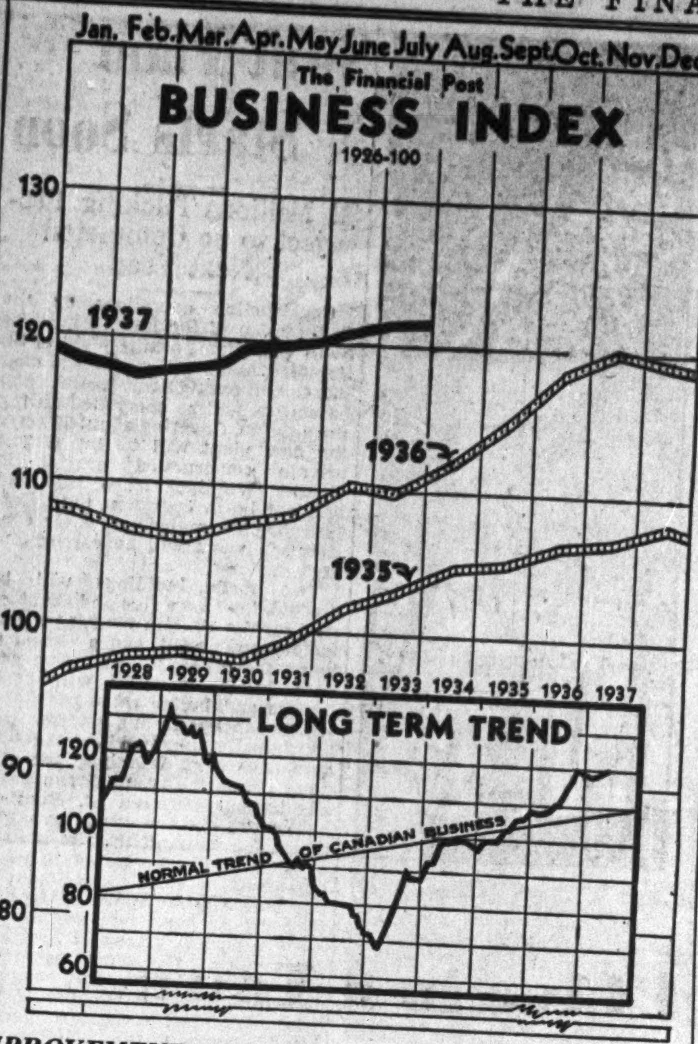
Construction — Reflecting the substantial gain in Canadian construction latest figures of cement, gypsum and clay production for Canada running much ahead of 1936.

Exports—Copper much higher; flour declines further, lumber continues gain.

Current trend of Canadian business activity is shown by The Financial Post's business index below, new figures for the week being marked •.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Aug. 14)	•51,006	46,036	1,534,290	1,399,619
C.N.R. gr. earn., wk. (Aug. 14)	$ •3,571,071	$ 3,256,264	$ 118,752,693	$ 104,024,304
C.P.R. gr. earn., wk. (Aug. 14)	$ •2,579,000	$ 2,432,000	$ 83,938,000	$ 78,415,000
C.P.R. net revenue (June)	$ 1,195,111	$ 1,175,549	$ 8,260,153	$ 6,790,999
C.N.R. net revenue (June)	$ 435,188	$ 9,442	$ 6,667,948	$ 2,475,040
Business Conditions—				
Weekly index D.B.S. (Aug. 14)	•111.7	112.4	......	......
Financial Post index (July)	•123.8	110.3	......	......
Iron and Steel (July)—				
Pig iron production (tons)	79,736	34,988	503,678	375,323
Steel ingots and castings prod. (tons)	122,968	68,793	836,145	647,493
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	17,199	15,930	63,970	51,858
Factory output (June)	17,919	13,126	97,563	86,364
Trucks and Buses:				
Domestic sales* (May)	4,332	3,297	14,837	10,999
Factory output (June)	5,922	3,274	31,008	19,584
Exports (June)	6,809	4,449	34,487	32,253
Financing (June):				
Used	$ 4,646,721	$ 3,467,078	$ 19,106,344	$ 13,793,047
New	$ 5,713,316	$ 3,980,528	$ 23,605,784	$ 17,556,909
Construction—				
Cons. contracts (July)	$ 21,485,000	$ 17,868,500	$ 131,861,100	$ 95,577,000
Production (May)—				
Cement, bbls.	•557,294	418,839	1,337,323	1,070,620
Gypsum, tons	•113,570	76,634	215,930	129,734
Clay	$ 379,967	$ 306,825	$ 1,110,631	$ 916,700
Agriculture—				
Flour prod., bbls. (June)	1,000,879	1,148,810	6,059,599	6,527,359
Flour exp., bbls. (July)	•334,964	444,905	2,411,671	2,736,076
Wheat exp. bus. (July)	8,602,689	25,912,508	52,326,724	120,509,094
Cattle sales (June)	69,931	64,835	365,453	393,850
Hog sales (June)	83,935	79,042	523,811	458,245
Newsprint (tons)—				
Production (July)	314,529	274,627	2,097,290	1,763,890
Exports, tons (June)	306,645	283,588	1,631,582	1,380,294
Mining—				
Coal prod., tons (June)	•1,063,865	1,037,700	6,994,251	6,885,469
Coal imports, tons (June)	•1,944,920	1,683,704	6,247,986	5,026,228
Gold prod., fine oz. (May)	340,125	308,492	1,628,356	1,450,839
Nickel prod., lb. (May)	18,462,389	11,815,188	90,428,601	68,704,668
Copper prod., lb. (June)	•42,549,292	31,421,070	243,604,966	205,637,311
Employment D.B.S. Index (July 1)—				
All industries	119.1	104.6	......	......
Manufacturing	119.0	104.7	......	......
Electric Power Output (June):				
Total monthly m.k.h.†	2,253,477	2,028,980	13,754,271	12,442,086
Trade (June)—				
Retail trade (index no. of sales)	80.5	73.4		
Wholesale trade	•12.1	......	......	......
Dept. store sales	81.5	75.7	......	......
C'try gen. store sales	•8.6	......	......	......
Imports, (June)	$ 75,668,684	$ 57,593,162	$ 380,815,689	$ 293,804,753
Exports (June)	$ 108,857,343	$ 79,942,336	$ 525,807,475	$ 424,545,951
Other Industrial Factors—				
Dressed lumber, exp.: M. bd. ft. (July)	•171,241	153,897	1,033,875	877,945
Boot & shoe prod., pr. (June)	2,226,062	1,721,182	12,483,211	11,042,084
Crude petrol., imp. gal. (May)	132,744,682	103,517,363	346,594,657	323,829,723
Cotton imports, lb. (May)	15,328,882	9,859,401	66,728,359	62,204,033
Raw rubber imp., lb. (June)	8,488,643	4,574,180	33,231,412	24,211,377
Cigarette cons. (June) No.†	628,742	506,108	3,055,859	2,472,515
Sugar (lb.)—				
Melting & ship.§ (raw)	69,052,155	98,485,337	354,236,972	401,619,890
Manufactured§	67,278,417	94,693,262	342,788,138	387,079,548
Finance—				
Bank debits (June)†	$ 2,891,917	$ 3,135,569	$ 18,186,008	$ 17,246,852
Bond sales (July)	$ •109,639,875	$ 68,385,553	$ 810,912,565	$ 822,627,040
Life insurance (July)	$ •32,364,000	$ 31,396,000	$ 225,100,000	$ 212,663,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 17.
•Percentage increase over last year.



IMPROVEMENT CONTINUES

While the gain in Canadian business operations for July was very slight over the previous month, nevertheless the rising trend of the previous five months was continued, bringing current level up to the best point since before the depression. Activity in mining, iron and steel manufacturing and newsprint production were the highlights. There was some decline in the recent rate of gain in export trade and automobile production.

Major Canadian Economic Factors

		July, 1937	July, 1936	June, 1937	Percentage Increase or Decrease July, 1937-1936
Financial Post Business Index		*123.8	110.3	123.7	+ 12.2
Wholesale prices		87.5	74.3	84.6	+ 17.8
Common stock prices		133.0	114.3	129.4	+ 16.4
Capitalized Dominion bond yields		144.9	153.6	144.3	— 5.7
Bank deposits	$	2,282,992,879	2,126,495,370	2,273,032,565	+ 7.4
Bank debits	$	2,720,737,779	2,893,657,924	2,891,916,624	— 6.0
Mineral Production:					
Copper exports	cwt.	434,710	324,979	367,208	+ 33.8
Nickel exports	cwt.	175,015	137,442	216,710	+ 27.3
Zinc exports	cwt.	403,017	234,041	321,107	+ 72.2
Gold shipments	fine oz.	327,885	308,984	350,094	+ 6.1
Silver shipments	fine oz.	1,853,244	1,552,134	1,293,506	+ 19.4
Asbestos exports	tons	16,800	13,851	17,205	+ 21.3
Manufacturing Production:					
Cattle slaughterings	No.	136,732	125,535	148,969	+ 8.9
Creamery butter production	lb.	35,695,027	36,955,993	37,948,757	— 3.4
Factory cheese production	lb.	24,687,567	21,653,247	24,542,124	+ 14.0
Sugar manufactured	lb.	67,278,417	94,693,262	65,774,505	— 29.0
Cigars released for consump.	No.	10,765,765	11,263,222	11,993,368	— 4.4
Cigarettes released for consum.	No.	654,313,275	569,183,670	628,743,626	+ 15.0
Newsprint production	tons	314,529	274,627	310,871	+ 14.5
Exports of planks and boards	ft.	171,241,000	153,897,000	182,191,000	+ 11.3
Steel ingot production	tons	122,698	68,793	118,744	+ 78.4
Pig iron production	tons	79,736	34,988	78,278	+127.9
Automobile production	No.	17,941	10,475	23,841	+ 71.3
Construction contracts awarded	$	21,485,300	17,868,500	30,369,600	+ 20.2
Building permits	$	5,397,422	5,029,802	6,013,668	+ 7.3
Carloadings	No.	219,290	202,743	214,229	+ 8.2

* Preliminary.

Background of Business

More Money for Alberta

Notwithstanding the partial wheat failure in certain districts and light yields in the Peace River area Alberta is expecting the greatest farm return this year since 1929. Total income according to a preliminary calculation is around $170 millions with the wheat crop alone worth at least $15 millions more than a year ago. Returns from beef cattle, sheep, dairying and sugar beets have also been substantial. Fall and winter retail business in the province is expecting to benefit materially.

Agricultural revenue since 1930 is estimated as follows:

1930	$161,162,283
1931	148,048,008
1932	130,446,626
1933	119,899,553
1934	157,946,044
1935	143,200,429
1936	157,332,520
1937 (estimated)	170,000,000

* * *

Big Tobacco Crop

Total output of the Canadian tobacco crop may be the largest in the history of the Dominion. Attracted by the remarkable expansion which has taken place in the growing of flue-cured tobacco in the Norfolk area in recent years, hundreds of new growers have undertaken the growing of this type in southwestern Ontario. Total area planted in flue-cured tobacco in that section this spring is about 50,000 acres, compared with a previous large acreage of 35,000.

In addition, about 450 acres of flue-cured tobacco are being grown in the Joliette district of Quebec, and about the same area in the Sumas district of British Columbia. Harvesting has now started under fairly good conditions. Last year the tobacco crop added over $9 millions to the purchasing power of the growers.

* * *

New Sleeper Bus

A new type sleeper bus has just been completed by Sleeper Coaches Inc. of Detroit. It is largely constructed of new light-weight metal and capable, according to claims, of getting eight miles to the gallon of fuel used. The ordinary heavy-weight sleeper at present in limited use in United States only goes about three miles on a gallon. A passenger rate of approximately two cents a mile is believed possible without, of course, the berth charge.

The new bus is 33 feet long, 8 feet wide and 10½ feet high. Each sleeping compartment has upper and lower berth running lengthwise with space for 16 passengers. There are two lavatories. Like the modern sleeper airplanes the bus is insulated with wood fibre, air space and a strip of aluminum foil.

* * *

Travel Wealthy

Canada is a travel wealthy country having over 1.2 million motor vehicles, one for every nine inhabitants, points out Canadian Trade Abroad. If motor vehicles of Canada were mustered out in parade with a hundred feet of highway allowed each vehicle, they would form a procession almost 23,000 miles in length and with a little crowding, utilizing trucks and buses, the whole population might be carried. Canada has over 400,000 miles of highway, which provides a spending place of travel wealth.

Loblaw Groceterias Profits Gain 10.67%

Both sales and profits of Loblaw Groceterias Co. increased in the second four-week period of the current fiscal year. Sales for the four weeks ended July 24, 1937, are $214,211 higher than for the corresponding period of 1936 while profits are up $5,865.

Comparative figures for sales and profits follow:

Four Weeks Period Ended	1937 $	1936 $	Incr. %
June 26:			
Sales	1,506,980	1,272,144	18.46
Profits	57,812	53,329	8.41
July 24:			
Sales	1,490,799	1,276,588	16.78
Profits	49,503	43,638	13.44
2 Mos. end. July 24:			
Sales	2,997,779	2,548,732	17.62
Profits	107,315	96,967	10.67

Bankruptcies

Canada Gazette announces meeting of the creditors in the matter of:

Kelly's Ginger Ale Ltd., Montreal.
Albert, L., Montreal.
Licht, Dame M., Montreal.
Lessard, E., Montreal.
Deslongchamps, G., Montreal.
Hart, F. M., Montreal.
Archambault, J. H., Montreal.
Gailland, L., Quebec City.
Faubert, J., Verdun.
Couture, M., St. Romuald.
Fredette, P., Sherrington.
Colford, W. D., Lozier, N.B.
Paterson, V. E., Saint John.

Business Gain Is Continued

Return of Speculative Interest as New High Recorded

While Canadian business operations showed only a slight gain in July from the preceding month, the increase was sufficient to place the volume in new high territory since the predepression period. Data from different industries were uneven but constructive developments were predominant.

With the passing of the gold scare, and the realization that stocks of important commodities entering into international trade have been largely depleted, there was a return of speculative interest in commodity markets. The rise of nearly three points in the index of wholesale prices was conclusive evidence as to the reversal of sentiment.

Exports of copper and zinc rose to high levels in July constituting the bright spot in metal statistics. The outward movement of these metals was greater than in any other July in history. Nickel exports on the other hand, showed a decline from the high level of the preceding month and lead production dropped off in the latest month for which statistics are available. Gold shipments declined from 350,000 fine ounces to 328,000, while the shipments of silver from Canadian mines recorded a gain, being at a higher level than in any other month since February. The decline in asbestos exports was less than normal for the season, demand for Canadian asbestos having been particularly strong since the first of the year.

Food Manufacturing

Manufacture of foodstuffs was at a somewhat higher level in July than in the preceding month. Some revival was shown in the production of flour and the output of refined sugar was practically maintained.

Output of newsprint scored in the forestry group, reaching a new high point in history. A gain of one point was shown in the index after seasonal adjustment. The exports of planks and boards were nearly maintained at 171 million feet, the decline in the adjusted index being restricted to 1.8 points. Declines, however, were shown in the exports of woodpulp and shingles.

Activity in the iron and steel industry was well maintained, gains being shown in the output of steel ingots and pig iron. The automobile industry was less active producing 17,941 units against 23,841.

Railway freight movement showed encouraging gain over the preceding month, the index advancing from 78.5 to 85.8. The export trade exceeded $100 millions for the third consecutive month, but a recession was shown from the high level of June when the value was nearly $109 millions. After adjustment for seasonal and price changes, the index dropped off from 121.3 to 108.1.

Foreign Business

United States Department of Commerce reviews foreign business as follows:

Belgium—Despite seasonal decline during July, increased optimism felt regarding the financial and general European political outlook.

Switzerland — Gradual improvement in business persisted in the second quarter, but evidences of a strong revival in the domestic market still absent; foreign trade values rising, especially imports.

Denmark—Basic situation difficult, with agricultural export volumes restricted and prices not materially better; larger adverse foreign trade balance partially offset by improved shipping earnings.

Finland—Further gains by commerce and industry, with domestic wholesale trade booming, industries active, unemployment at a record low figure, and credits and collections satisfactory.

Greece—Business remained active in the second quarter, with industrial activity close to record levels, crop yields favorable, and foreign trade strong.

China—Great progress made during first half of 1937 economically, financially and politically; crop prospects good but military activities may impede progress.

Japan—Industrial activity has advanced but there are some evidences of overproduction of export goods and imports have increased more extensively than exports.

Philippine Islands — Produce exchange recently issued and is handling sugar and rice with a possible extension to copra and other staples; floods in central Luzon have interrupted communications.

Hawaii—Steady improvement in the past fiscal year is reflected in annual reports by the Government and by business concerns; bank deposits increased, Government revenues rose, and retail sales advanced.

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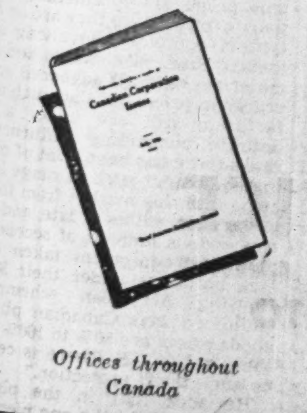

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Although coal is by far the most popular fuel in the industrial sections of Canada, and only a comparatively few plants use any other form of fuel, this is by no means the case in the lumber districts. In these plants wood waste is the most popular fuel. The leading article in the August issue deals with the efficient burning of this fuel.

Another article describes a new type of heating system recently placed in a Vancouver church. Instead of the usual radiators or hot air system, pipes were laid in the floor and covered with a layer of concrete. This system is applicable to other buildings besides churches. Typical of the information in every issue of Canada's practical power plant paper. September issue will discuss latest practice in air-conditioning.

MODERN POWER AND ENGINEERING
481 University Avenue
Toronto, Canada

Employee Welfare Series

Workers' Leisure Time Increased by Industry

Growing Number of Firms Give Paid Holidays to Wage Workers — Efforts Made to Make Free Time Enjoyable

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

As the tendency toward shorter working hours in Canadian industry has steadily progressed through the years, a growing number of employers have also encouraged and facilitated the most pleasurable use of the increased leisure. Reduction of working hours has been followed by provision of sport and other recreation facilities. The increasing momentum of the movement for holidays with pay for wage workers has produced plans for employee summer camps and low cost summer cottages for workers and their families.

Paid vacations for office workers and other salaried employees have become an accepted practice. It is widely known, however, that holidays with pay for hourly-paid wage workers, ranging from one to three weeks in duration, have also become standard policy for a rapidly increasing majority of Canadian companies.

Surveys before the depression indicated that 20% of leading firms in Ontario, employing one-third of the workers surveyed, gave paid holidays to production staffs. A partial survey this year shows that this proportion has risen to 75% of leading firms and more than three-quarters of workers covered.

There is also a growing tendency of employers to pay production workers for statutory holidays, and to reduce the working week during the summer to five days (if this is not already a year 'round practice), as a supplement to or substitute for vacations.

Employers do not regard holidays with pay as being in the nature of a bonus. In most cases employees are not allowed to remain at work during holiday periods and draw double pay. Nor may they substitute for another employee, or accept other employment during vacation. The holiday period must be used for rest and recreation.

The usual vacation system is based on a requirement of from one to five years' service for one week's holiday, and from five to 10 years' service for two weeks'. In a few cases, financial stringencies compel the management to limit holidays to older employees who have been in service for anywhere from five to 15 years. In most instances, the length of the holiday period increases as the length of service is increased, though some companies give the same period (one or two weeks) to all employees.

In computing length of service, particularly in regard to workers who may be employed at irregular periods, allowance is made for lay-offs due to sickness or to seasonal changes of equipment, inventory, etc.

Recreational Activities

Despite the view of some employers that promotion of recreational activities and provision of leisure time facilities is "carrying paternalism a little too far," programmes of this sort are becoming increasingly numerous. Many firms make considerable outlays in the shape of salaries for recreational or sports directors, and for facilities and equipment such as playing fields, hockey rinks, gymnasia, clubrooms and recreation halls, tennis courts, bowling greens, etc.

The majority of companies with definite programmes work through athletic associations or recreation clubs, controlled and supported by employees with the financial aid of the company. The executives of these organizations also act as promoters of social events and regulate competitions between teams of various departments. They also function as organizers of such groups as employee orchestras, glee clubs or choirs, and dramatic societies, and collaborate with company officials in arranging annual picnics and Christmas parties.

Educational Facilities

Educational facilities include special courses for selected employees in all phases of the business in which they are employed, management as well as production; sewing classes for wives or women employees, and hobby instruction for employees' children.

It is estimated that 75% of leading firms have some sort of recreational programme. This does not include the companies who promote profitable employment of employees' leisure time by making outside arrangements, giving their workers special privileges in using facilities of community institutions established for social, recreational and sport purposes.

Specific Plans

Summaries of leisure time plans utilized by companies specially studied in The Financial Post survey are given below:

Bell Telephone Co.—All plant craftsmen and allied workers get one week vacation after two years service; two weeks after five years. All others, two weeks after one year; clubs for all types of sport and social activity; company officials donate trophies and otherwise support employee sport activities, and arrangements for picnics, ski meets, golf and tennis tournaments.

T. Eaton Co.—All store employees paid on legal holidays and get vacations, one week after one year, two weeks after two years service. Employees completing 25 years service get six weeks holiday with pay (in addition to regular holiday). Girls' clubs offer facilities for swimming, gymnasium work, needlework instruction, domestic science classes, amateur dramatics, etc., at nominal fees; girls' camp used by 1,500 and more in a summer has facilities for riding, tennis, boating, golf, and other recreations at small weekly rate. Young men's and boys' clubs supported through Y.M.C.A. Young men's club centre near Toronto accomodate 700 to 800, either on vacation or as residence for summer; has sports facilities and swimming pool. Recreation centre with playing fields and softball diamond maintained in Toronto.

Canadian Pacific Railway and Canadian National Railways—Paid holidays for salaried employees only, after one year's service. Employees get year 'round passes in own division after 10 years service, over eastern or western lines after 15 years, over all lines after 20 years, over U. S. lines (trip passes) after three years. Both roads sponsor and support recreation organizations, and have provided clubrooms, playing fields, tennis courts, bowling greens, rifle ranges, ball diamonds, running tracks, picnic and playing fields.

Imperial Oil Ltd.—Holidays with pay for all production workers inaugurated this year, one week after one year's service, two weeks after three years. Vacations lengthened if legal holiday falls on week-day during vacation period.

Swift Canadian Co.—Vacations with pay for manual workers given since 1923—one week after two years, two weeks after five years, three weeks after 20 years.

Canadian Industries Ltd.—Wage workers given one week vacations since 1935.

Consolidated Mining and Smelting Co.—Five-day week for day workers, shift workers get five days off after 15 days work. Company provides summer cottage sites at nominal cost, has built community recreation halls, building for rink in winter and indoor games in summer; fosters sport activity and supports annual picnic.

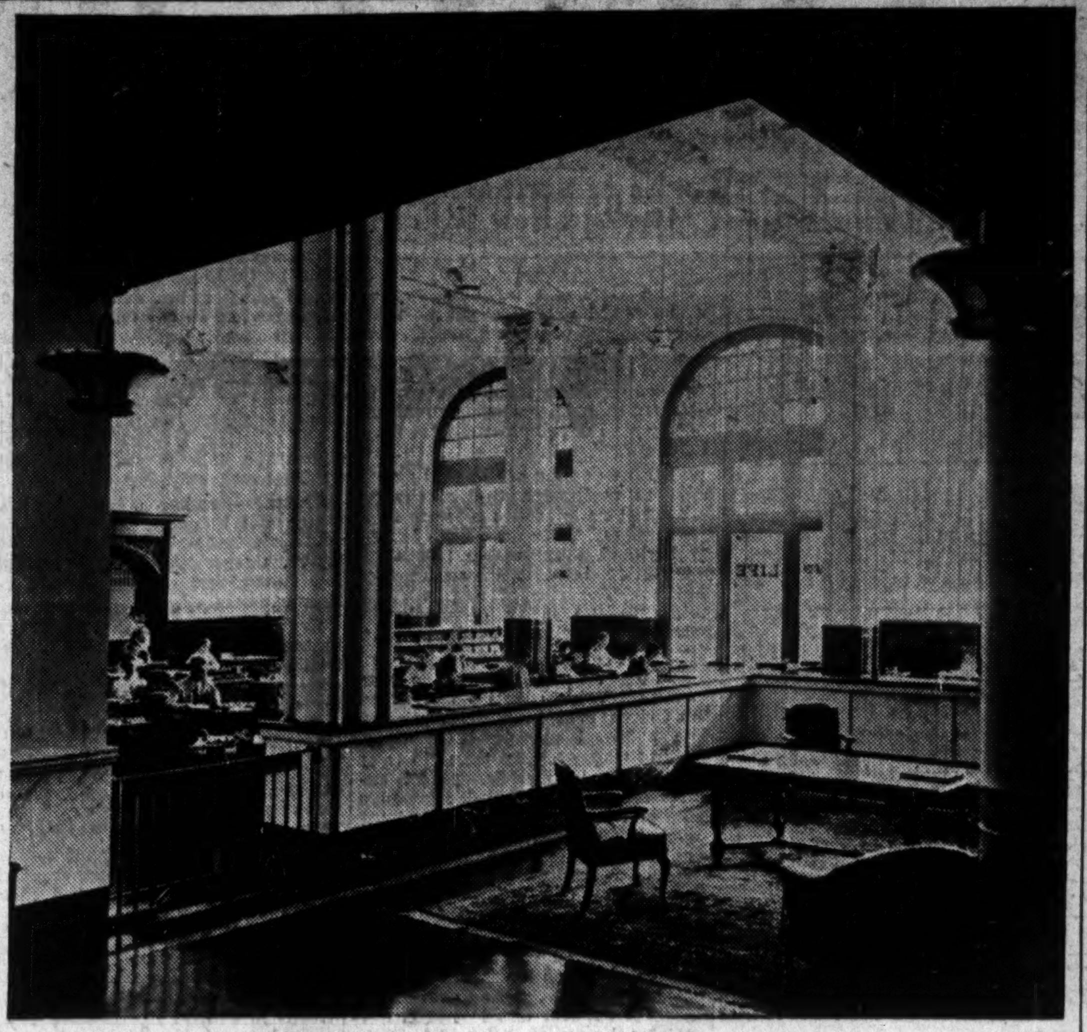
General Motors of Canada — Supports General Motors Recreational Association, with gymnasium and other recreational facilities, sponsors athletic contests, and assists in mammoth G. M. picnic at Oshawa every year.

Hudson Bay Mining & Smelting Co. (Flin Flon)—Holidays with pay for varying periods up to two weeks.

General Foods Ltd.—Vacations, one week for workers after two years, two weeks after five years service.

Imperial Tobacco — One week vacation for all workers after 18 months service.

This is the fifth of a series of articles dealing with the employee welfare policies of Canadian employers.



WHERE LITTLE MONEY WENT A LONG WAY

Modernization of the main office of the Confederation Life Association, Toronto, shown above, was effected at a cost of less than $12,000. Paint has played a large part in remedying the poor lighting facilities. Renovation of the office marks the first step in a programme which embraces the entire building.

Construction

$12,000 Modernizes Office of 20 Years Ago

Confederation Life Association Completes First Stage of Renovation Programme to Eliminate Obsolescence

Lighted, ventilated and decorated in the style of 20 years ago, public and executive office areas of the Confederation Life Association's head office building in Toronto have been completely modernized at a cost of less than $12,000.

The modernization project is part of a larger scheme which will be carried out in stages throughout the original building which occupies half a block on Richmond Street, in the business section of Toronto.

Worn wooden floors have been replaced by rubber tiled floor covering and linoleums in dark greens and blacks. Offices lighted by desk lamps now have overhead indirect illumination reflected from sound-absorbing white ceiling materials and light yellow walls. Scarred marble and woodwork are replaced with uniformly polished marble column bases and marble counters topped with shining black vitrolite. Exhaust fans are placed strategically throughout the offices. The new offices are equal to any in a building constructed this year so far as light, comfort and efficient equipment are concerned. The architectural features of the building have not yet been materially altered.

The plan was based on an estimated expenditure of $11,021. That amount has not been exceeded, but additions and alterations decided upon after the work started account for extra expenditures which envisage future modernization of other features of the building.

In the general office known as the "Policyholders Service Department" a large staff works behind a banking type counter, access to which is by bronze gates. The old counter was removed, the marble cut and polished and, topped with black vitrolite, and returned for service in a different form and size. New flooring was laid to receive linoleum, brass work was plated with bronze and in the public area new leather upholstered furniture has been installed.

The costs for each type of work were as follows:

Modernization Costs

	$
Carpentry, plastering	3,216
Scaffolding material	350
Marble, rubber tile, repairs	2,185
Painting	1,500
Electrical work	2,340
Linoleum	550
Moving equipment	30
Contingencies	850
Total	11,021

Electrical work, second largest item in the project, included removal of all conduits and wires in the floors and their replacement in a single conduit box extending through floors and ceilings. The result is that all wiring is concealed, but readily accessible. Plugs for office equipment, telephone and dictating machines are concealed in baseboards and columns. Indirect lighting fixtures were placed in front of the vault, nine in the general office, under the mezzanine floor, in the conference room, in the elevator hall and in executive offices.

Apart from marble work, carpentry and other structural improvements, the use of light colored paints on walls and white, light-reflecting materials on ceilings is probably the outstanding feature of the modernization scheme. It was, of course, impossible to overcome the faint flickering common to all lighting in the Toronto area, due to the use of 25 cycle electric current, a type which is illegal in some countries of the world.

Old Materials Adapted

Like most office structures erected before 1900, the building has wide corridors and large rooms, but workers at desks and machines formerly had few footcandles of light. Combined with the new lighting, the yellow-colored walls and white ceilings give a light reflection of about 85%. Radiators are painted to conform to the woodwork, the latter finished uniformly in mahogany in place of the vari-colored woods used previously.

Use of old marble, part of the linoleum, woodwork and some of the electrical equipment had much to do with the low cost. There was, for example, an amount of $680 included in the electrical estimate for removing wiring and conduits in the floors and their replacement in new positions.

Working almost entirely outside office hours, contractors erected scaffolding, tore up floors and painted ceilings without dislocating the internal office arrangements. Today there is no resemblance in the bright, modern offices of the Confederation Life to those of 1892.

Record Log Drive

The largest log drive ever run by the Port Royal Pulp and Paper Company, Saint John, comprising forty-two thousand cords of pulp wood, has been driven down the Saint John River and boomed at Lincoln by the company.

Construction World

Few trade organizations have been more aggressive than the Canadian Institute of Plumbing and Heating in developing new business under the Home Improvement Plan. Faced with the criticism that banks in some cases are too cautious in their H.I.P. loan policies, the institute made an intensive investigation recently and found that few, if any, complaints were well founded.

The survey revealed that most institute members have discovered the banks to be very fair and reasonable in dealing with loan applications and that complaints traced down to documentary facts "are seldom, if ever justified." In its own efforts to stimulate new repair and modernization work, the institute has received the co-operation of the banks in distributing C.I.P.H. booklets on "How to Modernize Your Plumbing Equipment" and "How to Modernize Your Heating Equipment." About 28,000 of the booklets will be distributed by five of the chartered banks to their H.I.P. loan customers, each being available in English and French.

New Building

The Daily Commercial News and Building Record reports:

Paton Manufacturing Co., Sherbrooke, Quebec; proposed finishing and shipping building for textile manufacturing plant.

Imperial Oil Ltd., Halifax; warehouse building, $25,000.

Premier Trust Co., Toronto; proposed addition to office building.

Imperial Life Assurance Co., Toronto; proposed stone refacing of office building.

McKinnon Industries Ltd., St. Catharines, Ont.; subcontracts awarded for glass, roofing, reinforcing steel and floors for new heat treat building.

Young & Co., Toronto; proposed chemical factory building at tallow manufacturing plant, $30,000.

British Colonial Trading Co., Toronto; addition to chinaware storage warehouse.

Canadian Ingersoll-Rand Co., Sherbrooke, Quebec; addition to manufacturing shop, $45,000.

Drug Trading Co., Toronto; addition to plant consisting of brick walls, steel frames, concrete foundations, tarred felt and gravel roof, laminated floors.

Swift Canadian Co., St. Boniface, Man.; packing plant, $2 millions.

Dominion Oilcloth and Linoleum Co., Montreal; demolition of buildings on site of second section of $100,000 addition to plant buildings.

Canadian Liquid Air Co., Montreal; proposed one-story concrete brick addition to plant, $20,000.

Congoleum, Canada, Ltd., Montreal; additions to warehouse and rack building.

Acadia Apartments Shows Slight Gain in Earnings

Acadia Apartments Ltd., Montreal, reports a slight improvement in earnings in the year ended April 30 last, as a result of a small advance in rentals, net income for the year before depreciation and bond interest amounting to $32,934.

Announcement has been made by the company that on Sept. 1 next, payment will be made of the first mortgage bond coupon due Sept. 1, 1934. The last payment of interest was made on Sept. 1, 1936.

All taxes of the company have been paid and it is estimated that it will have $45,000 in cash on hand on Sept 1.

In a letter to first mortgage bondholders the company states that there is no prospect at the present time of payment of bond interest in full as this will have to await increases in rents and leasing of apartments now vacant.

Revenue and Expenditures Years Ended April 30

	1937 $	1936 $
Gross revenue	84,052	81,674
Less: Expenses	51,119	51,807
Net income	32,933	29,777
Less: 1st mtge. int.	51,798	51,799
General mtge. int.	10,500	10,500
Depreciation	22,553	22,553
Loss for year	51,918	55,077

Swift Plant Starts Soon

$2 Millions Packing Project to be Completed Next Year

Construction operations on the first section of the new $2 millions Swift Canadian Packing plant at St. Boniface, Man., will commence next month and excavations, footings and basements will be completed during the autumn. Covering about 22 acres the new plant will be the largest private construction project in Greater Winnipeg since 1926, but will not be in operation until Oct., 1938 since the major part of the construction work will be carried out next summer.

Two main buildings will be erected, the first a five and six story structure to contain machinery and factory equipment, and a second to house the offices. Construction will be reinforced concrete with brick facings and beside these structures will be stockyards and poultry pens.

Originally planned for another area of Greater Winnipeg, the new plant site is the result of successful negotiations between St. Boniface authorities and the company, under which the value of the site is fixed at $24,200 for a period of 20 years, beginning in 1938. Assessment of the buildings to apply as long as they are in bona fide use for the same period is placed at 32½% of their value. The plant machinery will not be assessed. The company is lending the municipality $33,000 without interest to construct needed local improvements.

McLeod Building Makes Changes in Capital

Supplementary letters patent have been granted to McLeod Building Ltd., Edmonton, making the following changes in capitalization.

(1) The entire issue of 15,000 no par value common shares is cancelled.

(2) Holders of the former issue of $468,900 of preferred receive share for share of new common stock in return for cancellation of the old preferred and arrears of dividends.

On completion of this exchange the company's sole capital will be 4,689 common shares of $100 par value, all of which will be issued and held by holders of the former preference stock. The old preference stock was in arrears 33.25% at March 31, 1937.

U. S. Advertising Linage Hits Seasonal July Slump

MONTREAL.—Newspaper advertising in 52 American cities selected by Media Records Inc. and reported by Editor and Publisher, slumped in July and was only slightly ahead of the same month a year ago.

Actual linage was 99.2 millions against 98.5 millions in July, 1936, putting the 1937 returns closer to those of 1936 than at any previous time this year.

A break-down of the returns shows that retail advertising was slightly ahead of last year. Departmental stores recorded a small gain, but general, automotive and financial advertising fell behind last year, the decreases ranging from 6.2% for general to 10.5% for automotive advertising.

"I want a HOBBYSHOP..."

Every man needs a private nook where he can slouch and make things. Build a Donnacona hideaway in a corner of the basement. The light, strong panels of Donnacona Insulating Board are quickly and easily installed in a basement corner — *a 12' x 12' den can be installed for as little as $48.00 for material and labour.* Ask your Donnacona Dealer or write us for suggestions, details and information about the Home Improvement Plan.

Alexander MURRAY & Company Limited
Montreal • Toronto • Halifax • Saint John • Winnipeg • Vancouver

DONNACONA
INSULATING PRODUCTS

Our Contribution to the Building Industry

Through actual demonstrations this Company has proved conclusively that houses built of wood can be made fireproof with Gypsum materials. An organized program of research continues in the development of new uses for these materials.

Gypsum, Lime and Alabastine
Canada, Limited
Head Office: Paris, Ontario, Canada
Vancouver Calgary Winnipeg Toronto Montreal

CHEMISTRY
and the Food Industries.

Composition, purity, adulteration, quality — these and many other problems of food preparation and processing are the almost daily study of our chemists and engineers.

Consult us about those problems which are engrossing you. We can probably give you that little technical assistance that is required for their solution.

MILTON HERSEY CO., LIMITED
Industrial Chemists and Engineers
MONTREAL WINNIPEG

Systematic
Investment Information

THE FINANCIAL POST CORPORATION SERVICE brings dependable, accurate, up-to-the-minute information and facts right to your finger tips. It provides detailed investment information and a news service on industrial, public utility, mining, oil, life insurance, trust and loan, investment trust and real estate companies.

A Dividend Record, giving a cumulative record of dividends declared and paid by Canadian companies, is also part of the service.

By placing such complete investment information at your finger-tips, the service increases efficiency and saves you the time and expense of clipping and filing news items and preparing comparative statements.

A Service for Every Need

Services are available to fill the requirements of every financial organization. Special services on specific companies may also be secured by organizations or investors desiring to investigate a selected list of companies.

The Complete Service, covering all companies, is $20 a month.
Industrial Service only is $15 a month.
Service on mining and oil companies only is $10 a month.
Service on mining companies only is $7.50 a month.
The Dividend Record — $10 a year.

All information, news and record cards are of standard size — 6" x 9". Cabinets, complete with index guides, are available in oak, mahogany or walnut finish at $12, f.o.b. Toronto.

THE FINANCIAL POST
CORPORATION SERVICE
DOMINION SQUARE BUILDING MONTREAL
481 UNIVERSITY AVENUE TORONTO

LOANS THAT MAKE FRIENDS

The Bank of Toronto has more resources—more friends today than ever before in its 81 years. It is the type of Bank with which established business men requiring loans, like to do business. We suggest you talk over your needs with us.

THE BANK OF TORONTO
Incorporated 1855

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES
AND OPERATING MACHINERY

Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.

DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE • • LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, AUGUST 28, 1937 ★ 10c a Copy; $5.00 a Year | No. 35

GOLD PRICE ATTACK RAPPED

Mines Have Had Harvest And Must Take Rap Economist Insists

By SIR GEORGE PAISH

One of the gravest symptoms of the dangerous condition now existing throughout the world is the depreciation and instability of the currencies of all nations. Currency depreciation is indeed almost the last measure to which nations resort under the stress of circumstance; and unwillingness or inability to restore or to stabilize the currencies is in itself an indication that the governments are still in a state of anxiety about both the present position and the future outlook.

Currency depreciation is an automatic and immediate method of reducing all fixed obligations whether they be for debts, interest, rents, pensions, salaries or wages and should not be resorted to except under conditions of extreme danger.

Consequences of Depreciation

The policy of currency depreciation pursued by the two great creditor nations, coupled with a policy of protection, coupled with the calling in of bankers' loans, coupled with pronounced unwillingness to grant new loans either of money or of capital to other nations, have brought about a situation without precedent and one which, if left unrectified much longer may have consequences of a very grave character.

It may be contended that the depreciation of the British pound and of the American dollar reduced the difficulties of the debtor countries in meeting their debts, as it caused the value of the currencies of the creditor currencies, in which the debts had to be paid, to decline in some measure in proportion to the fall in the prices of the commodities in which the debtors had to pay their debts. But this supposed advantage was not a real one for it gave no assistance to the debtors at the time they were so urgently in need of help, inasmuch as currency depreciation, coupled with trade restrictions, prevented the sale of the commodities they so much needed to sell to the creditor countries in order to make payment. Moreover, the prices realized for what they could sell were so low that the debtors' income was not only insufficient to meet their obligations, either for interest or principal but was not sufficient to prevent vast numbers of them being reduced to great poverty.

Return to Gold Dollar Demanded

Clearly the experience gained in the present crisis supports the experience in the long period from 1821 to 1914, when the world financial machine developed ever increasing strength by the fact that a stable gold pound permitted both national and international transactions to be settled in a stable and fixed currency under all conditions. The commodity pound and the commodity dollar having now been tried and found wanting, a return to the gold pound and the gold dollar of a given gold content and to a bank rate control of the movements of money between countries, is urgently demanded by the conditions of difficulty in which the nations now find themselves.

The term paper currency depreciation is synonymous with the term gold appreciation, the one implying the other. The depreciation of the American currency was indeed brought about by fixing gold at an arbitrarily high price in American paper dollars and by the American Government paying out paper dollars for gold freely at this high price.

The Rise in Price of Gold

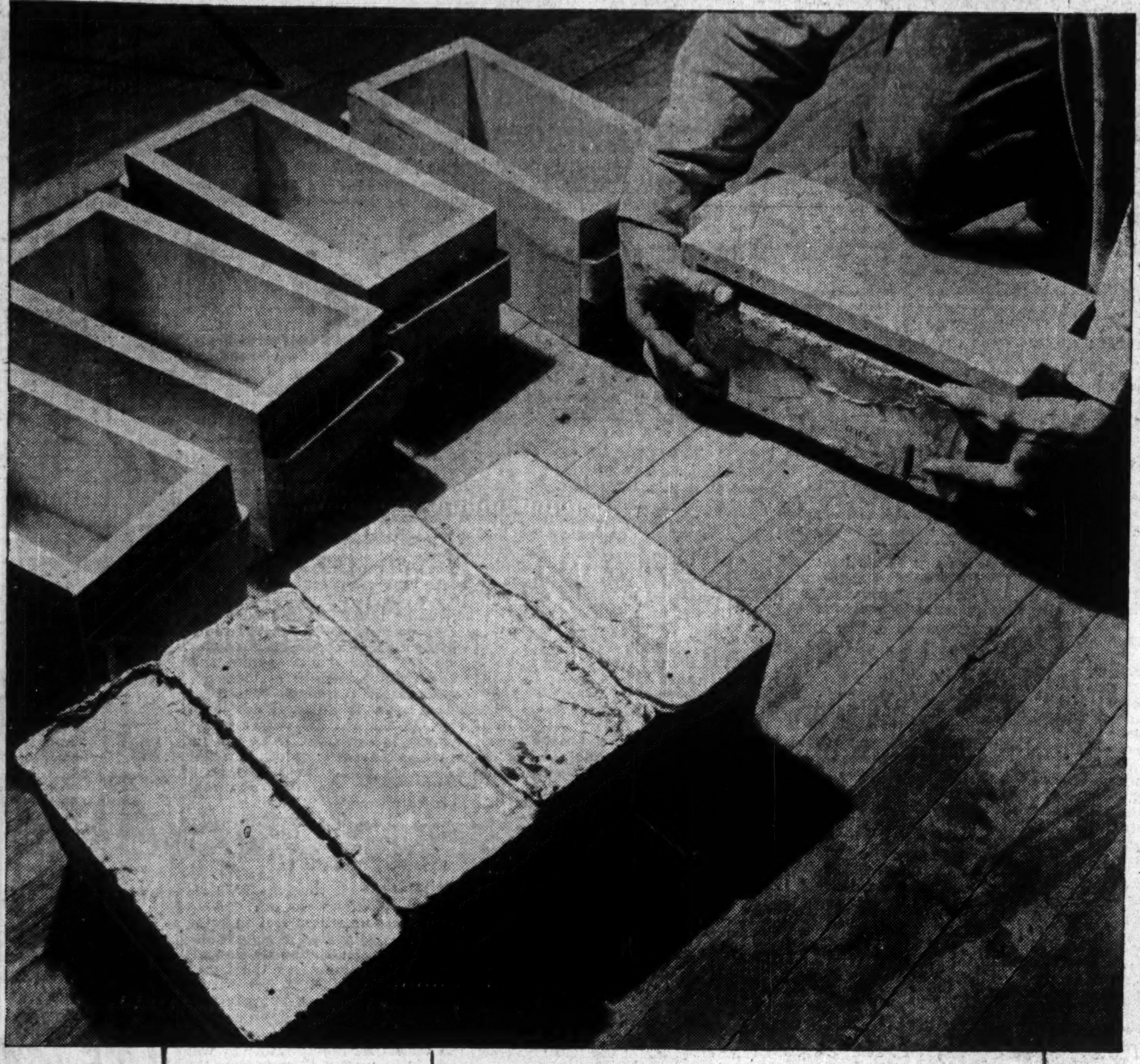
Inasmuch as the purpose of keeping the British paper pound depreciated, and of depreciating the American paper dollar to the level of sterling was to enable British and American products to become cheap enough in foreign countries to compete with the products of other nations which had also been reduced in price by the depreciation of their currencies or by other causes, the gold prices of commodities of all kinds and descriptions —food, raw materials and manufactured goods suffered a catastrophic fall, thus making it exceedingly profitable to produce gold. Thus gold experienced a great rise in the currencies of all nations, while the commodities which went to pay for the gold produced fell heavily in price. Expressed in exact terms in American paper dollars gold rose in price over 69.3 per cent and in British pounds by 66 per cent, while the gold prices of the commodities sent to the gold fields to pay for the gold fell approximately 50 per cent.

The result of this extraordinary situation has been that every country containing gold has been stimulated by the immense profit to be gained, to increase its production of gold as rapidly as possible and in consequence the increased output in 1936 compared with 1929 has been some 80 per cent in quantity while the increase in the currency value of the gold produced annually owing to the great rise in the currency prices of gold has been some 200 per cent. Moreover, all the gold held in stock in 1929 has increased in value by nearly 70 per cent. The total value of the world's stock of gold consequently reaches a fabulous sum in relation to its values at any time in history.

Fabulous Value of Hoardings

The United States and Great Britain, together, now hold gold to the value of some

(Continued on page 13)



The Root of the Trouble

Canadian Bankers, Economists, Mining Men United in Opposing Proposal for Reduction - - See Chaos as Result of Tinkering

Unanimous agreement among financiers, economists and expert observers on this continent against the probability or wisdom of a reduction in the price of gold at the present time, is indicated by a special survey undertaken this week by The Financial Post.

In view of the startling statement by Sir George Paish that monetary stability and world recovery demanded a return to the old parity of $20.67 with an immediate reduction of 25% in the price of gold, The Financial Post asked leading bankers, economists, mining men and others to express their own views. Without exception their comments were at variance with those of Sir George.

An outstanding feature of the survey was the willingness of some of the leading bankers and observers in Canada to be quoted.

The Financial Post presents herewith a summary of the opinions expressed.

Dislocate Trade — S. H. Logan

S. H. Logan, president of the Canadian Bank of Commerce, subscribes to the Paish statement that general instability of currencies throughout the world reflects a dangerous condition and that a return to the gold standard, "no doubt with some modifications from the old one, would stimulate world trade."

Mr. Logan does not, however, "agree with Sir George's view that a reduction in the present price of gold is necessary or desirable."

He writes:

"Any change in that price, whether upward or downward, creates in my opinion serious dislocations in world trade. These dislocations are gradually adjusted as business becomes accustomed to the new basis, and this smoothing process has made great headway since February when the United States raised the gold price to $35 per ounce.

"To eliminate now, in whole or in part, the increase then established would, I believe, again throw international and domestic trade into confusion and might destroy the gradually reviving business confidence which has been increasingly apparent during the past three years."

Serious Effect — J. A. McLeod

In the opinion of J. A. McLeod, president of the Bank of Nova Scotia, Sir George Paish attaches too much significance to the policy of reducing the price of gold.

"To reduce the price of gold," he says, "would probably not solve the gold problem, nor would it prove to be of much assistance in encouraging a balanced recovery of business throughout the world. A sharply lower price might, on the other hand, have a serious restrictive effect on business generally.

"The great movement of gold toward the United States and Great Britain represents for the most part a movement of short-term capital. To a very large extent, this capital is 'fear money' fleeing from the European continent to safer havens. This situation, a direct result of the disturbed state of political affairs and of the armaments race, would be little, if any, improved by reducing the price of gold.

"The restoration of an ordered world economy with stable currencies depends first and foremost upon the easing of political tension and upon the termination of existing conflicts. It also depends upon the further reduction in the artificial barriers which still hinder the movement of goods and of long-term capital from one country to another. A sharp reduction in the price of gold would in itself be of doubtful value as a step toward establishing these necessary conditions."

Balmer Neilly Gives Miners' Views

Balmer Neilly, assistant to the president and treasurer of McIntyre Porcupine Gold Mines, and director of a number of Canadian mining companies, stresses another side of the gold picture. He says:

"Opinion is general in gold mining circles that the present increase in gold production is temporary and will gradually subside

"When the price was raised to $35 per ounce there was immediately made available for economic extraction large tonnages of ore, on which the development charges had already been met. The same grade of ore cannot be found, developed and extracted at a profit and this source of ore is bound to disappear in the near future.

"Then, too, there were many known mining prospects that were marginal or worse. With the increase in price these prospects were made immediately available and no time has been lost in bringing them into production. This extraordinary influx of new gold producers has probably run its course.

"It is generally conceded that as costs rise the tonnages of ore profitably available will decrease to a corresponding extent and unless new gold mining areas are discovered our apprehension may, in the not too distant future, shift to a point directly opposite to that set forth in the article under discussion."

C. H. Carlisle's Views

C. H. Carlisle, president of the Dominion Bank, stated, "I consider money as a measure of values, if that be true, the measure should be constant, as is the pound—12 ounces in Troy or the pound avoirdupois, which always contains 16 ounces, or as the yard, in linear measure.

"It would greatly confuse transactions if the number of ounces changed in the pound or the number of inches in the yard. A similar confusion takes place when we change the value of money.

"Gold, throughout the past, has largely been the basis on which money has been issued, and therefore, became the actual measure of commodities. When gold was advanced from $20.67 to $35 per ounce, it made a material change in our financial structure, and in my opinion was not a wise change to make, but since it has been made I think it would be just as disconcerting at this time to change to its former price. If we are to have stability and confidence in business it is necessary that we have stability and permanency in the value of our money."

Quebec Minister of Mines

Hon. Onésime Gagnon, Quebec Minister of Mines, disagrees:

"It might seem bold to an average man to disagree with such an authority as Sir George Paish, but I believe that his opinion on the price of gold is shared by very few economists. The fear that the price of gold might be reduced has lately caused quite a setback, not only to gold stocks, but also to many commodities. From this fact, one may imagine how disastrous an actual reduction would be.

"First, a lower price of gold would harm gravely gold mining activities and connected industries, which in the aggregate play such a part in our economic life.

"Furthermore, this deflationary measure would lower prices and wages, decrease buying power, and increase Government debts. The proposal would certainly not remove the many obstacles to international trade, unbalanced budgets, maldistribution of gold, which are at the origin of our economic troubles, and which should be remedied first, before manipulating again the price of gold. So there are many better measures than the reduction of the price of gold to accelerate trade revival."

National Debt Problems

An important Government authority at Ottawa writes as follows:

"While there is considerable controversy among those who profess to know something about the subject, as to the merits or demerits of the present price of gold, the weight of opinion seems to be against devaluation. If Roosevelt were to cut the price of gold, it would probably land him in much greater difficulties than any he might seek to escape. Further, the action of the British Government several weeks ago in making available to its Stabilization Fund another huge amount, was, I think, clearly intended to help maintain the present price.

"A reduction in the price of gold might set in motion forces that would bring a drastic lowering in commodity prices generally and make more difficult, if not impossible, the handling of the huge debt problems that afflict every country.

"Looking at it from a commonsense point of view, the solvency of a good many of the leading nations can only be maintained, and then perhaps doubtfully, on something like the present price level. A mere unfounded rumor last spring to the effect that the price of gold might be lowered, produced an immediate effect and gave a bad shaking up to

(Continued on page 15)

Not Practical Politics in U. S.

Washington Reaction Is Unfavorable—Inflation Fears Discounted

Head of the Whaley-Eaton Service and editor of The Sphere, P. H. Whaley, whom The Financial Post has invited to comment on Sir George Paish's article, is recognized internationally as an authority on the relations of government and business in the United States.

By P. H. WHALEY

WASHINGTON.—The suggestion of Sir George Paish that the American price of gold be reduced to $20.67 ounce, and that there be "generally a return to gold at the old parities," has attracted wide interest in Washington, but the reaction is wholly unfavorable.

Washington's comment, reflecting the official view, is as follows:

1. Sir George's proposal is from six to eight months too late.
2. The managed dollar and pound "have not been found wanting."
3. There are no signs now that an undesirable price inflation is inevitable.
4. It is politically impossible to make a deflationary cut in the value of American gold holdings.
5. It is also politically impossible to make what would popularly be construed as a deflationary move in view of the inflationary bloc in Congress.

The statement that the Paish proposal is six or eight months too late simply means that, at this former period, that precise proposal was very carefully examined. It had been offered as the one sure method of preventing further importations of gold in bulk into the United States. Undoubtedly, London was consulted as to its views on such reduction in the price of gold and was vigorously opposed to action of that sort.

Congressional Action

It should be noted, too, that the President has no authority to reduce the price of gold to any such extent, since the law prescribes that he can fix the price of gold only between 50% and 60% of the old parity. However, Secretary Morgenthau is authorized to buy or sell gold at any price. He would scarcely try to keep the gold price at one point internationally when the Roosevelt administration was trying to keep it at another point domestically.

To make any material change in the American price for gold would require action by Congress.

Despite some criticism in London that the stabilization agreement is not working so well as it might, Washington is very well pleased with the status. The French debacle, of course, has required the use of a new technique and was somewhat disconcerting. However, Washington is convinced that that situation will not get out of hand. It is also thoroughly convinced that the London authorities are "playing fair" and that the major participants in the agreement are going to extremes to be frank and to make it work.

No Price Inflation

As to Paish's suggestion that inflation is inevitable unless something is done to rationalize the gold situation, the authorities in Washington stress that no undesirable price inflation has yet occurred and that none is in sight in the foreseeable future.

In his letter of May to Senator Thomas, President Roosevelt used the expression that he was still seeking a dollar that would have the same purchasing and debt-paying power "as the dollar value we hope to obtain in the near future." The inference is plain that the President does expect some price increases, but that he will be able to control them. Moreover, he has agreed to put a Government cotton loan behind the present cotton crop, and a substantial part of this will actually be a subsidy, since the plan is to loan, say, 9 cents, or to pay the farmer the difference between that, his sales price, and 12 cents the pound. In other words, Mr. Roosevelt is insisting that cotton producers must have a minimum of about 12 cents a pound for cotton.

Little Support

Even though the Paish argument that a return to the old parities would not be deflationary, but would actually lead to an increase in commerce and business activity, may be correct, it would be very difficult to convince the inflationary elements in American politics that this was so. Also, there is no reason to believe that important private bankers in the United States would agree to a reduction in the gold price.

While officials are fairly well satisfied with the way things are going and rather ridicule the idea that credit inflation and rapidly mounting prices are inevitable, private economists are not so sure.

Typical comment as to Paish's main proposal is: "A reduction in the price of gold is no longer within the realm of practical politics."

Camera Tells Story of Airport Building

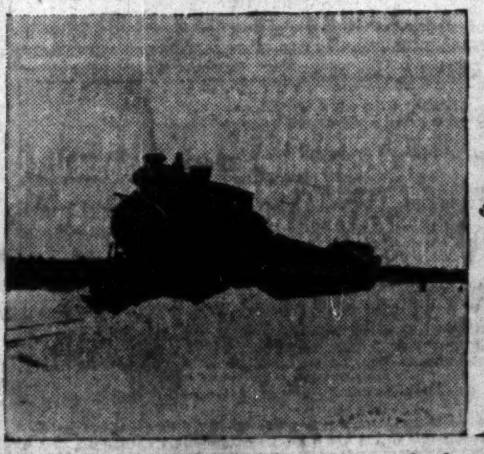
Stages in construction of the Newfoundland airport for the huge land planes to be used in transatlantic air service.

After clearing the 860-acre tract at Hattie's Camp, workers burned off the scrub.

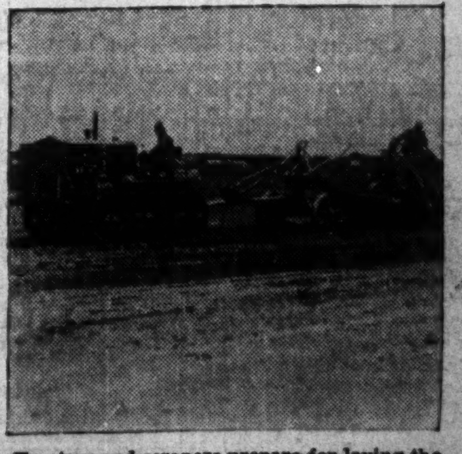
Tractors went to work ripping out roots of trees and bushes.

The clay overburden was torn loose and loaded into tractor trains.

Supplies of stone for crushing came from this stone quarry, seven miles from the airport,



The crushed stone is delivered in trainloads over temporary tracks.



Tractors and scrapers prepare for laying the asphalt paving.

Insurance

Revision Unlikely In Automobile Policy

Wawanesa Proposals Are Frowned on by Superintendents

It is altogether probable that the proposals of the Wawanesa Mutual Insurance Co. in respect to automobile insurance, which attracted wide attention this spring, will be shelved, temporarily at least.

This week Major Howell Smith, eastern manager of the Wawanesa, before the Association of Superintendents of Insurance, reiterated his belief that existing methods of automobile rating are inequitable and a pure gamble. To replace them he advocated financial responsibility of all drivers, a driver's policy covering only those parties named in it as compared with the broad owner's policy now being written, and a safety tribunal to which would be submitted details of all accidents and which would determine who was competent to operate a motor vehicle. Rates should be based on knowledge of the driver plus consideration of mileage driven, he held.

Reception Chilly

The same proposals, with the exception of the safety tribunal, had been submitted earlier to the standing committee on automobile insurance standard forms, but had met with a rather unenthusiastic reception. They were mentioned in the report to the conference but no recommendation was put forward. In the discussion of the report, and following Mr. Smith's presentation, another chilly reception was encountered. In his presidential address Superintendent Charles Heath of Manitoba had stated that "Someone is frequently rediscovering that the logical thing to do is to insure the driver rather than the automobile, but so far they have confined themselves to theorizing and no one has shown how this can be satisfactorily accomplished." Similar views were expressed by Leslie Ham, Montreal manager of the Canadian Underwriters' Association.

C. U. A. Viewpoint

Mr. Ham recited the better known arguments against compulsory insurance: That it might increase the number of accidents; that it might increase the number and size of claims; that it would not mean that everyone injured in an accident would be reimbursed by insurance.

To conclude the discussion, Ontario Superintendent H. D. McNairn emphatically stated his opposition to the proposals, an attitude which is probably representative of the general opinion of the superintendents. Mr. McNairn admitted that the logical plan of automobile insurance would cover the driver. In actual practice, however, he feels that existing coverage in the Dominion is more complete than in any other country including those with a financial responsibility law or a driver's policy.

New Licenses

The following companies have been licensed by the federal department of insurance to transact the classes of insurance named in addition to those for which they are already registered:

Commerce Insurance Co.—Falling aircraft, earthquake, property damage caused by vehicles.

City of New York Insurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Pacific Coast Fire Insurance Co.—Falling aircraft, property damage caused by vehicles.

Security National Insurance Co.—Falling aircraft, earthquake, civil commotion, property damage caused by vehicles.

Quebec Fire Assurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

• • •

The following companies have been licensed by the federal department to write insurance against property damage caused by vehicles in addition to the classes for which they are now registered:

New York Underwriters Insurance Co.
Baltimore American Insurance Co. of New York.
Protection Mutual Fire Insurance Co.
Mill Owners Mutual Fire Insurance Co.
What Cheer Mutual Fire Insurance Co.
Hope Mutual Fire Insurance Co.
Firemen's Mutual Insurance Co.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

NOTICE

Notice is hereby given that Affiliated Underwriters, Fireproof-Sprinklered Underwriters, Individual Underwriters, Metropolitan Inter-Insurers and New York Reciprocal Underwriters have received Certificates of Registry Numbers C-441 to C-445 inclusive authorizing the above Exchanges respectively to transact in Canada the business of hail insurance and insurance against loss of or damage to property caused by vehicles limited to the insurance of the same property as is insured under a policy of fire insurance of the Exchange in addition to the classes for which they are already registered.

V. W. GERRISH
Chief Agent for Canada

July 19, 1937

United States Fidelity & Guaranty Company
TORONTO

Life Business Up 3 Per Cent

All But Prairie Provinces Show Improvement in July

New life insurance sales in July amounted to $32.4 millions, much lower than the five-year peak established in the previous month, but still 3% above a year ago.

With the exception of the Prairie Provinces, all parts of the Dominion showed improvement over 1936. Ontario gained more than $600,000. British Columbia, New Brunswick and Quebec about $200,000 each. The other Maritime Provinces and Newfoundland report smaller advance.

Each month this year, with the exception of January, has shown improvement over the corresponding month over 1936. Net gain in sales for the first seven months, according to returns compiled by the Life Insurance Sales Research Bureau which comprise reports from companies writing 87% of all Canadian business, is $12.4 millions. The 1937 cumulative total of $225.1 millions compares with $212.7 millions last year.

Comparative figures are as follows:

Ordinary Life Sales*
(a) Sales by Months 1934-1937
($ 000 omitted)

	1934	1935	1936	1937
Jan.	27,718	32,988	33,347	27,699
Feb.	29,036	28,716	28,834	30,604
Mar.	32,564	31,416	30,552	31,998
Apr.	33,296	28,900	28,876	32,919
May	33,134	27,423	28,411	31,858
June	32,277	32,112	31,247	37,700
July	33,951	32,155	31,396	32,364
Aug.	26,650	26,854	23,547	....
Sept.	26,123	26,696	26,090	....
Oct.	31,342	30,416	29,402	....
Nov.	35,863	35,158	36,710	....
Dec.	27,691	36,550	34,146	....

*Based on 19 companies in 1934 and 1935 and on 18 companies in 1936 and 1937.

(b) Sales by Areas
($ 000 omitted)

	$	$
British Columbia	2,691	2,492
Alberta	1,242	1,371
Saskatchewan	1,016	1,204
Manitoba	1,797	1,835
Ontario	14,123	13,490
Quebec	8,633	8,493
New Brunswick	1,007	801
Nova Scotia	1,326	1,286
Prince Edward Island	205	174
Newfoundland	321	248
	32,364	31,396

Sales Up 17% For Sun Life

Assets Rise to Highest in History—Group Business Active

From Our Own Correspondent

JASPER PARK.—New ordinary life insurance written by the Sun Life of Canada in the United States and Canada for the first seven months of 1937 shows an increase of 17.6% over the same period in 1936, according to figures released by Arthur B. Wood, president and managing director, at the annual educational conference. Average increase for all companies in the United States for the same period is 8% and in Canada 6%. Group insurance shows a very sharp increase for the year with over $44 millions of new business to date.

At the end of June insurance in force stood at $2,848 millions, an increase of $73 millions over the figure at the end of last year.

Income from interest, dividends an[illegible]e over 10% larger than for the same period in 1936, while total expenditures are down about 4%. Net effect for the first seven months is an excess of income over expenditures of nearly $39 millions. This represents the increase in ledger assets. Total assets of the company now exceed $810 millions, the highest in the history of the Sun Life. The bond account is now $344 millions, an increase of $34 millions since the beginning of the year.

Monarch Life Reports Sharp Business Upturn

Increases of 15% in written and 23% in paid-for business are reported by Monarch Life Assurance Co. for the first seven months of this year, compared with the same period in 1936. The company issued its 100,000th policy this month.

Average size of policies written this year has increased by $200 and agents' earnings are up 35%, according to C. C. Cumming, general manager.

Staff Changes

The Royal Bank has made the following changes in staff:

R. J. LEACH, formerly manager at Cookstown, to be manager at Queen and Bruce, Sault Ste. Marie, Ont.

C. I. LANCEFIELD, formerly at head office, to be manager at 1170 Yonge St., Toronto.

J. D. TIPTON, formerly manager at Queen and Bruce, Sault Ste. Marie, has retired on pension.

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Three Aspects Of Insurance

Survey Reveals Problems of Policyholders, Agent and Executive

From the standpoint of the policyholders, the most important problem today is in the field of life insurance as an investment rather than life insurance as protection.

To the agent, it is competition from unqualified salesmen.

Executives face the poser of trying to offset reduced investment income resulting from lower interest yields.

Such are the conclusions submitted to the annual conference of the Insurance Superintendents Association of Superintendents of Insurance this week by J. C. Blackall, insurance commissioner of Connecticut. They are the results of a survey conducted by the American superintendent among representative buyers and sellers of insurance both in the United States and Canada.

Suggest Solutions

Mr. Blackall included a brief summary of a number of the replies in his address.

A leading public official of the state reported that all his savings were invested in life insurance; that it was the only investment that did not seriously depreciate during the depression.

A practising attorney felt that the large insurance investor, who may have to rely from time to time on loans supported by his policy, might reasonably complain that the cost of such loans was out of proportion to the value of loaned money in the general commercial market.

A successful manufacturer believed that large policyholders should give careful thought to what governments may do in the future in the way of making benefits taxable. He thought life insurance companies should keep in mind this condition which was bound to be a resistance to the sale of large policies.

One of the largest insurance agents in the middle west declared his chief problem to be invasion of part time agents.

Check Up Agents

One of the ranking New York producers felt that in addition to the part time agent the unfit agent offered a problem. He believed the state should adopt stricter laws affecting agents.

The viewpoint of company executives is well summarized by one man who stated that productive investment of funds was his greatest problem. Shrinkage in net interest rate during the last five years might closely reflect the shrinkage in dividends to policyholders, he believed. This, he felt, indicated that loss from changing conditions was not falling on a few rich people, but upon the sound, thrifty middle class.

COMMISSION FIGURES

In a few weeks time the gentleman at the left will be presenting arguments to the gentleman at the right. When photographed above they were enjoying tea on the Osgoode Hall lawn, Toronto.

For Senator J. W. DeB. Farris, of Vancouver (newly-elected president of Canadian Bar Association), has been named by British Columbia to plead the province's case before the newly-named Royal Economic Commission. His arguments will be heard by the retiring president of the association (Hon. N. W. Rowell, K.C., Chief Justice of Ontario—at right), who has recently been named chairman of the Royal Commission.

Tilley of the West

Senator J. W. DeB. Farris Is First British Columbian to Head Canadian Bar Association

By KENNETH R. WILSON

Last week Senator John Wallace DeBeque Farris, K.C., was elected president of the Canadian Bar Association.

If you are a westerner, you won't need to be told who Senator Farris is. If, being an easterner, you are not so well informed, the simplest way to describe him is to say that he is the "Tilley" of western Canada.

I asked Senator Farris last week if this were a good description of him. He replied: "Well, we both have big tummies."

Maritime Farm Boy

Senator Farris is a fine example of the Maritime boy who went West and made good. Born 59 years ago on a farm near Fredericton of Loyalist stock, he took his arts degree at Acadia University, then studied law in the University of Pennsylvania.

He returned to New Brunswick and was called to the Bar but stayed to practise only three months. He went West and after a few weeks in Regina, headed straight for Vancouver.

That was 34 years ago, but he has been there ever since. Subsequently he was joined by a younger brother. More recently the firm name had to be extended to include the senator's oldest son, a graduate of Harvard, who has been practising with his father now for the past three years. The firm name is Farris, Farris, Stultz, Bull and Farris.

Important Clients

And there isn't very much that goes on in a legal way around Vancouver that doesn't include the Farris firm. In the corporation field, the Senator acts as counsel for the $120,000,000 B. C. Power Co., and for B.C. Telephone Co. Another important client is the Bank of Toronto. The Senator is a director of Home Oil Co. and an enthusiastic believer in Turner Valley prospects and possibilities.

He is also an outstanding authority on constitutional law. In fact, he has been already retained by British Columbia to present the province's case before the Rowell Commission. His last appearance before the Privy Council had to do with the famous New Deal legislation of the Rt. Hon. R. B. Bennett.

The first lawyer from British Columbia to head the Bar Association, his aim will be to achieve more cooperation between the association and the various provincial law societies during his term in office. A fisherman and golfer, he now has, besides three sons and a daughter, four grandchildren. He was appointed to the Senate last January.

Veteran Training Project Meets Measure of Success

Widely varying success in different parts of Canada has attended inauguration of the Veterans' Assistance Commission probational training plan to enable workless war veterans to learn a trade and establish themselves in permanent employment.

In Toronto more than 130 unemployed ex-soldiers have been placed since May in positions giving them training in various lines of work, and holding prospect of ultimate permanent employment. In Windsor little or no momentum has been gained in putting the plan into effect, and the number of men placed can be counted on the fingers of one hand.

Progress made in most centres appears to depend largely on the time and effort the voluntary local committees can devote to the plan and to the publicity in the local press.

The Government has appropriated $250,000 for this year's financing of the plan, which is intended primarily to re-establish veterans semi-skilled in certain lines and capable of being trained into proficient skilled workers.

If an employer will hire such a man and train him, the plan provides for payment of the difference between what the man is worth as a semi-skilled or apprentice worker and what he is potentially worth as a trained man. During the training period, which may be anything up to three months, the man receives pay at the same rate as if he were a trained worker.

To prevent employers exploiting veterans and using the plan as a means to get cheap labor, some assurance must be given that the man will be retained if he proves capable after the training period is over.

Franchise Transfer
From Our Own Correspondent

MONTREAL. — New Brunswick Motor Carrier Board has approved application for the transfer of all franchises of S.M.T. System Ltd. to S.M.T. (Eastern) Ltd. and the transfer of freight franchise from McKay Transport Ltd. to S.M.T. (Eastern) Ltd.

Mounties Take to Air To Check Smuggling

Encouraging success has resulted from operation of the four airplanes acquired by the Royal Canadian Mounted Police to strengthen anti-smuggling patrol work along the coast of the Maritimes and the shore of the Gulf of the St. Lawrence. The air patrol is particularly directed at checking smuggling of narcotics and liquor, but also functions to block illicit entry of other goods invading the realm of regular import business.

Working principally out of Moncton, Sydney, Halifax and Saint John, the officers in the planes are able to detect smuggling operations in gulf and coastal waters and to spot bases of the smugglers.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Aug. 16	Aug. 17	Aug. 18	Aug. 19	Aug. 20	Aug. 21
Par						
U. S. dollar, High	1.00 1/32	1.00 1/32	1.00 1/64	1.00 1/64	1.00 1/32	1.00 1/64
Low	1.00	1.00 1/64	1.00	1.00	1.00	1.00
1936, High	1.00	1.00	1.00	1.00	1.00	1.00
Low	1.00	1.00	1.00	1.00	1.00	1.00
U. K. pound	4.98½	4.99	4.99¼	4.99⅛	4.99	4.99⅛
Australia	3.99	3.99⅜	3.99½	3.99½	3.99⅜	3.99½
Austria	.1890½	.1890½	.1890½	.1890½	.1890½	.1890½
Belgium	.1684½	.1684½	.1687¼	.1686	.1685½	.1685½
Brazil	.0655	.0655	.0655	.0652	.0645	.0630
Czechoslovakia	.0349⅛	.0349⅛	.0349¼	.0349¼	.0349¼	.0349¼
Denmark	.2225⅝	.2226⅝	.2229¼	.2228⅝	.2227⅝	.2229⅝
France	.0375½	.0375½	.0375⅝	.0375⅝	.0375⅝	.0375¾
Germany	.4023¾	.4024¼	.4024¾	.4024¾	.4025½	.4025¼
Greece	.0091½	.0091½	.0091½	.0091½	.0091½	.0091½
Holland	.5515¾	.5515¾	.5519¾	.5520¼	.5519¾	.5520½
Hungary	.1978⅝	.1977⅝	.1977⅝	.1978⅝	.1977⅝	.1977⅝
India	.3765¼	.3765¼	.3770¼	.3774¼	.3770¼	.3771¼
Italy	.0526⅜	.0526⅜	.0526⅜	.0526⅜	.0526⅜	.0526⅜
Japan	.2907	.2907	.2911	.2913	.2911	.2911
Jugoslavia	.0233½	.0233½	.0233½	.0233½	.0233½	.0233½
New Zealand	4.02	4.02⅜	4.02½	4.02½	4.02⅜	4.02½
Norway	.2505¾	.2506¾	.2507¾	.2508¾	.2508¾	.2509¾
Poland	.1894½	.1894	.1894	.1894	.1894	......
South Africa	4.97½	4.98	4.98¼	4.98⅛	4.98	4.98⅛
Sweden	.2570¾	.2572¾	.2574¼	.2574¾	.2574¼	.2574¾
Switzerland	.2297¾	.2297¾	.2298¼	.2298¼	.2297¾	.2297¾
Hong Kong	.3086	.3103	.3120	.3119	.3119	.3116

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Market Values Are Advocated

Valuation of securities gave rise to an unexpected development at the insurance superintendents' conference this week.

Usually, the report of the committee recommends that the basis approved in the United States be adopted here, and that the recommendation is passed on without comment. After Georges Lafrance, Quebec superintendent had read this year's report, however, W. E. Baldwin of the Continental Fire urged that valuation of fire company securities be based on market rather than on book value.

As a result, a committee of underwriters will probably be formed to confer with the superintendents' committee.

Bank Chat

Misconception

Bank executives have surpassed themselves in the last few weeks in maintaining their customary silence. In respect to developments in Alberta, however, this attitude cannot be condemned. Any statement, no matter how innocent, was very likely to be twisted beyond all recognition to serve the purpose of Social Credit propaganda.

In the light of this, statements attributed to C. H. Carlisle, president of the Dominion Bank, by Toronto newspapers were bewildering as well as startling. Mr. Carlisle is credited with the remark that the obvious recourse of the banks after the moratorium legislation in Alberta was to close all branches in the province. How a banker could be inveigled into such a direct statement at any time, far from the disturbed present, would be a matter for comment.

According to Mr. Carlisle's explanation, the impression given is definitely misleading. He was asked about the legislation and what the banks were going to do. His reply was simply that if the legislation was such that they could operate and safeguard the position of their depositors and customers then they would certainly do so. If not, however, he thought the only alternative was to withdraw. There was no inference that the moratorium would necessarily place the banks in a position where such a choice would have to be made.

• • •

Stop-gap Legislation

It appears likely that the moratorium legislation is not an end in itself. Most observers feel that the Aberhart regime has merely resurrected similar legislation which passed away shortly before the famed banking legislation. It can hardly hope to be more than temporary in any event.

One prominent banker expressed the view that the moratorium was probably a "stall." Reports from the West indicate that disallowance of the bank measure was not anticipated and one can well visualize Mr. Aberhart attempting to cover up his embarrassment until new onslaughts on the "financial interests" had been planned. That further attempts to harness banking facilities in the province will be made and will be made soon, is almost taken for granted. And it is more than likely that new legislation will be within the powers of the Provincial Legislature. In other words, Alberta's next move will likely be much less radical but much more effective.

G. W. Saddlery Profits Higher

Improved Prices Make Up For Poor Crop Prospects

Operating profits of Great West Saddlery Co. for the six months ended June 30, 1937, after payment of all charges including bond interest but before depreciation and income taxes, were $35,253 compared with $20,687 in a similar period of last year, according to F. O. Mitchell in a letter to shareholders.

Net liquid assets at June 30, 1937, were $857,054 against $822,231 at Dec. 31, 1936.

Outlook for the second half of the year is not regarded as encouraging by Mr. Mitchell owing to poor crop prospects, but the high prices prevailing for wheat this year compared with 1936 make up, in a considerable degree, for the apparent shortage in quantity.

Supplementary letters patent have been issued to the company confirming the reorganization adopted earlier this year.

Weekly Bank Clearings

	Aug. 19 1937 $	Change Year Ago %	Aug. 12 1937 $
Halifax	2,374,334	+11.1	2,426,398
Saint John	1,896,813	+ 9.7	1,726,152
Moncton	758,011	+ ...	727,944
Sherbrooke	567,816	+ 0.2	684,894
Quebec	4,815,579	+26.6	4,925,539
Montreal	107,634,462	+15.7	96,606,651
Ottawa	14,429,828	+ 6.1	22,649,106
Kingston	537,973	+ 1.8	540,013
Peterborough	630,746	— 2.1	567,155
Toronto	112,364,634	— 2.3	91,229,654
Hamilton	5,383,238	+29.6	5,207,290
Kitchener	1,047,654	+ 3.3	960,615
Brantford	884,492	+ 9.3	882,730
London	2,807,623	+ 1.8	2,727,427
Chatham	539,216	+11.3	541,597
Windsor	3,007,869	+26.9	2,518,779
Sarnia	442,555	+ 4.6	526,962
Sudbury	959,626	— 3.9	1,072,570
Fort William	726,934	—11.7	749,984
Winnipeg	30,861,105	—43.9	34,853,199
Brandon	301,864	—10.2	298,988
Regina	2,943,828	—37.7	3,272,050
Moose Jaw	669,368	+ 1.0	531,781
Prince Albert	379,363	+ 9.8	375,506
Edmonton	3,913,234	+ 4.7	3,797,022
Medicine Hat	234,061	—11.1	200,720
Calgary	4,650,069	— 6.1	4,473,754
Saskatoon	1,187,919	—21.9	1,180,849
Lethbridge	437,453	+ 6.0	445,219
N. W'minster	691,122	+ 0.7	746,062
Vancouver	17,584,657	— 0.6	18,186,907
Victoria	1,728,144	+ 3.5	1,759,915

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Kelowna
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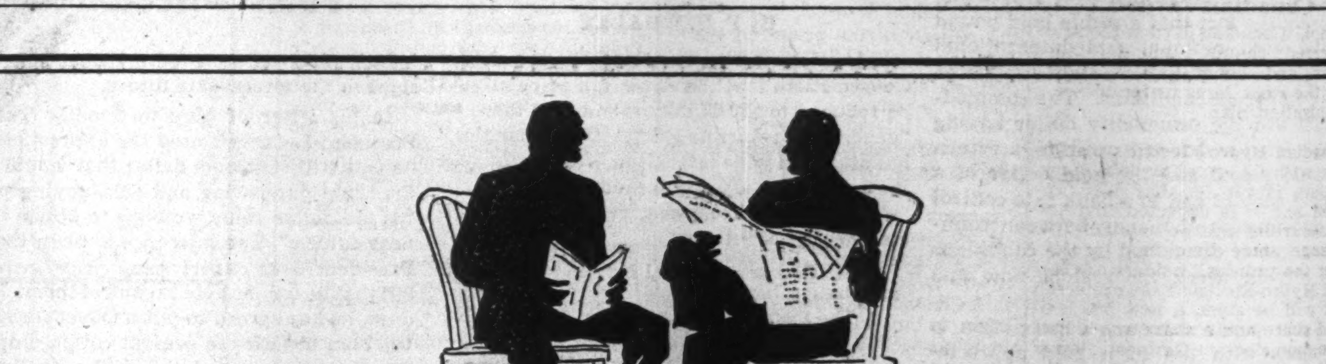
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non Assessable Policies Assets $6,000,000.


"Let's teach Temperance!"
—Overheard in a barber shop
1st Customer: . . . well, what do you mean by temperance education?
2nd Customer: I'll tell you what I don't mean! I don't mean telling children a lot of exaggerated stories so that they're scared out of their wits when they see their elders drink a glass of beer!
1st Customer: Oh, admitted that old-fashioned sort of propaganda is all wrong! But I still think something should be done . . . what is your idea of temperance education?
2nd Customer: It should teach people that there are a great many things in this world that are good servants, but bad masters. It should teach them to be able to use any of nature's gifts temperately. It should show them that not to use something, because they are afraid of using it to excess, is a confession of weakness. . .
1st Customer: That's all very well in theory. But let's get down to brass tacks. What would you teach them about drinking?
2nd Customer: Well, the first job is to get people to distinguish between moderation and abstinence, between necessary control and prohibition.
1st Customer: At least, I'll agree you can't make people sober by law . . . we tried that one!
2nd Customer: Yes, and our second job is to destroy one of the very wrong ideas left over as the handiwork of the prohibitionists . . . to get out of the people's heads the idea that the purpose of drinking, or even the necessary result of drinking, is to get DRUNK.
1st Customer: Right! Most of all the abuses come from misguided efforts to substitute law-control for self-control.
2nd Customer: And finally, we'd advance temperance education further if we'd make everyone see that drinking, like eating and smoking, is really a social custom . . . a thing least likely to be abused if people drink wholesome, mildly-stimulating beverages in public government-controlled premises. That is the British way of handling the problem. History proves it's still the best way!
● This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

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Great Lakes Paper

Can you outline the progress being made by Great Lakes Paper Co. in 1937 and the prospects for class A shares?

Great Lakes Paper Co. is expected to show earnings above the cumulative dividend of $2 a share on the class A preferred shares this year. However, the company has not paid the preferred dividends which are cumulative from Oct. 1, 1935, on both the 100,000 shares of class A and 100,000 class B preferred. Thus, on the two classes of preferred stock there will be total arrears of $4 a share, or some $800,000 by next Oct. Prospects for 1938 are improved, as the company has increased its output, has been able to sell some excess sulphite pulp, and will also participate in the higher price for paper next year. A net profit will be shown this year for the first time in years, and has the prospect of higher profits for 1938, despite increased costs. The class A preferred has a definite advantage in that it ranks first for $4 arrears of dividends by next Oct., and that it will also participate in any dividends, above the regular $2 annual rate, if payments are made on the common.

Easy Washing Machine Co.

Can you advise me what progress is being made by Easy Washing Machine Co. in 1937?

Easy Washing Machine Co. got off to a good start this year with increased sales and profits, but it is somewhat early to tell how the year will turn out. In 1936, the company earned 66 cents a share on the new common, but there are still arrears of 70 cents a share, or a total of $5,000 on the preferred to be paid. It appears possible that the preferred dividends and arrears will be restored to good order by the end of this year, if the improvement continues. As higher business volume will require increased working capital, it is hard to say when the company might be in a position to consider common dividends.

Standard Reliance Assets

Is there any hope of obtaining a dividend from Standafd Reliance Assets? Is there any market for this stock?

We have been expecting report covering operations of Standard Reliance Assets Company for two years ended Dec. 31, 1936, for some time. Most of this company's assets consist of Toronto real estate which is being liquidated. There still appears to be little immediate prospect of a distribution to shareholders, although this is coming closer. The past two years have seen some improvement and a number of sales have been completed. Efforts are largely directed toward payment of taxes and obtaining whatever revenues possible from rental of property. Size of any distribution will depend entirely on final results in liquidation of real estate. We do not know of any regular market for the shares.

Canadian Hydro

I hold Canadian Hydro-Electric preferred shares, among other stocks, and would like to know how the stock fares under the reorganization plan.

Canadian Hydro-Electric's plan to merge with its operating subsidiary, Gatineau Power Co., has been approved and it is expected that the new securities will be available for exchange some time next month. Under the proposal, holders of Canadian Hydro-Electric first preferred stock will be given a new 5% preferred share and a share and a half of common stock in Gatineau Power Co. It is the intention of the management to pay dividends on the Gatineau Power preferred as from the beginning of next year.

Price Brothers

I have about $3,000 to invest and am considering Price Bros. new first mortgage bonds. Are they well regarded?

The first mortgage bonds of Price Co. appear well secured. Under plan of reorganization, company has been put on sound financial footing, with adequate working capital to take care of its expanding business. The newsprint situation has undergone a marked change for the better and company's ability to cover interest charges on new basis has been enhanced.

Champion-Simmons

I hold a 5½% savings certificate bought from Champion-Simmons Investment Corp. seven years ago. I am now told that the Saskatchewan Government has closed the company and that the Montreal Trust Co. is handling their affairs. Can you tell me if this is true and what will become of my security?

Early in 1937, Champion Mortgage Corp., Edmonton, took over the assets of Champion-Simmons Investment Corp. and assumed all liabilities to holders of investment certificates. It is hardly correct to say that the Saskatchewan Government closed out Champion-Simmons although their affairs were not progressing any too favorably. All collateral for security of savings certificate holders is deposited with the Montreal Trust Co. The company is required to keep $110 of security on deposit for each $100 savings certificate. In case of bankruptcy, the Montreal Trust Co. is empowered to receive payments and carry on until maturity of certificates.

Massey-Harris Common

Can you outline the position of Massey-Harris Co. common stock?

Massey-Harris common shares lie behind a large preferred stock issue, on which there are arrears of over $30 a share, and a 5% bond issue of which $2 millions must be redeemed before any dividends can be paid. The common, therefore, is not in a favorable position at the moment. However, earnings have improved and the company is likely to show a profit this year, instead of the losses of previous years. Prospects for further improvements depend to a large extent on agricultural conditions here and abroad.

American Loblaw

How is Loblaw Groceterias Inc. connected with the Canadian company, Loblaw Groceterias Co.? Can you give me any idea of the financial position of the former company?

Loblaw Groceterias Inc. operates a chain of 83 stores in the United States. At a meeting held in Buffalo on April 16, 1937, shareholders approved a plan of recapitalization to permit dividends on preferred. Arrears totalled $60 a share. Earnings on this stock were $6.54 a share in the year ended April 30, 1937. The old 7% preferred was exchanged for new preferred no par value bearing fixed dividend of $7 a share. A capital impairment of $1.4 million was also written off by providing that the book value of the new preferred should not be more than $60 a share. Accumulated dividends up to April 30, 1929, of $8.50 a share, were paid to shareholders of record April 21, 1937. The move was taken to permit payments out of surplus which otherwise would have been partly needed to pay taxes. The Canadian company, Loblaw Groceterias Co., owns 2,841 shares of preferred out of 31,851 and 28,800 common shares out of 63,036.

Alta. Pacific Grain

Will you please let me have your opinion on the outlook of Alberta Pacific Grain? If I were to sell my bonds now would I receive accrued interest, in addition to the market price?

The outlook for Alberta Pacific Grain Co., as far as earnings are concerned, is not particularly favorable. Short crops in the West in the last two or three years have limited the amount of business available to grain companies. However, it is anticipated that the company will be able to continue payment of interest, though the sinking fund on the bonds has been deferred. On the other hand, if the crop damage is more severe than anticipated or the drought continues, it may be necessary to change this opinion. If you were to sell your bonds, you would receive the market price plus interest to the date of the sale.

Canada Permanent

I am thinking of purchasing the stock of Canada Permanent Mortgage Corp., but would like to know to what extent the company is involved in western Canadian farm mortgages.

Canada Permanent Mortgage Corp.'s statement dose not divide its mortgage investments between city and farm properties. As of Dec. 31, 1935, Canada Permanent had $51.9 millions of mortgage loans and agreements for sale on real estate. Of this amount $27.4 millions was in Ontario mortgages, $6.9 millions in Quebec, $5.3 millions in Manitoba, $3.7 millions in British Columbia, $2.8 millions in Alberta and $4.7 millions in Saskatchewan. The drought situation in Saskatchewan and Alberta is not expected to have a too serious effect on the company. The loss suffered in most cases was anticipated and covered by reserves. In Alberta the situation is more serious, but the company has fewer Alberta investments than in other provinces. Crop failure, particularly in Saskatchewan, is partly compensated by improved conditions in Manitoba.

The Abitibi Plan, 3

Shares With Options

With 85% of Initial New Common Stock, Shareholders Would Have Option of Further Investment to Protect Equity

The Abitibi Power & Paper Co. bondholders' committee has stated that it takes no direct interest in the division of new shares among old shareholders except in so far as the total of such share issues affects the value of securities to be given to bondholders. The reorganization plan, however, suggests at the request of the preferred stockholders' committee that certain proportionate distributions of new shares be made if the Supreme Court of Ontario approves.

The proposed distributions to shareholders are:

1. 7% preferred: 5 shares and warrants to buy another 5 at $17.50 each within 12 months.

2. 6% preferred: 3½ shares and warrants to buy 4 more.

3. Common: 1/10 new shares and right to buy another ½ share.

On the basis of the proposed new capitalization, this would result in distribution of new stock, before and after exercise of shareholders' purchase warrants, as follows:

Distribution of New Common

Present issue:	of initial issue	of maximum issue
5% bonds	14.8%	22.0%
7% pref.	3.1%	2.3%
6% pref.	75.2%	59.6%
Common	0.7%	14.9%
Sundry	0.2%	*1.2%

*Mostly for Abitibi employees.

Contrasting Views

Large holders of preferred and common shares will fight the Abitibi plan largely on the ground that it necessitates purchase of over $33 millions additional stock for them to protect their equity from conversions of the proposed 5% debenture issue. It will be noted from the foregoing table that the three classes of shareholders will receive initially 85% of the new shares. The view of the bondholders' committee is that the option warrants give the shareholders 12 months in which to buy off a major portion of the bondholders' claims and that the treatment is generous. The proceeds from exercise of warrants by shareholders must be used to pay off at 100 the 5% convertible income debentures. The warrants therefore offer an opportunity to shareholders of reducing the company's debt.

The fact that the total share issue increases with the exercise of warrants, effects dilution of the earnings per share, as shown in estimates by W. C. Pitfield & Co., tabulated:

Comparative Earnings Relationships
1. Bondholders Plan:

Basis:	Times interest earned	—Earnings* per share— Before conversions	On max. stk. issue
(1)	2.29	$2.39	$1.81
(2)	3.31	4.27	2.80
(3)	2.80	3.33	2.30

*After 15% income tax.

Among the more conservative estimates of future earnings, the Pitfield calculations suggest an initial earnings rate of $2.39 a share. An earlier estimate by Coverdale & Colpitts, New York consulting engineers, is for earnings of $1.55 a share on the initial stock. Supposing that 1938 operations suggest earnings somewhere around $2 a share on the new stock, it is possible that the new common might have a market value around $20 a share. That possible price is only a rough estimate and would depend to a large extent upon stock market conditions. If a price of $20 were to prevail, however, it would not be surprising to see a price of about $5 for each share purchase warrant. On this rather arbitrary basis of calculation, the respective values in new securities for each present share would be: 7% preferred, about $125; 6% preferred, approximately $90; common, $4½.

One of the most important points for the investor to note is that under the plan the preferred shares may be worth more than the present market value and that the present common would probably have a lesser value than has prevailed recently.

B.C. Fish Runs Following Cycle

President H. R. MacMillan Outlines Situation Affecting B. C. Packers

H. R. MacMillan, president of British Columbia Packers Ltd., states that the run of salmon for 1937 should be compared with the run of 1933, which, taking the B. C. coast as a whole, is slightly the smallest of the four cycles that go to make up the four annual succeeding runs of salmon. Up to date, the run of sockeye salmon has been exactly what one would expect from the 1933 run. It is too early to estimate what the runs of cohoe, chums and pinks will be, but there is no reason to believe that production will be substantially less, according to Mr. MacMillan.

Earnings from the greater reduction plant capacity this year depend on the catch of pilchards and herring and the reduction of salmon offal. The pilchards are two weeks late in coming in and may be a smaller catch than last year. The herring run is not due for a month and there are no indications of the size to be expected.

In 1936, B. C. Packers had a net profit of $100,047, equivalent to 73 cents a share, the first profit in seven years. Mr. MacMillan's comments on this year's runs of fish indicate that it is still somewhat early to judge the full year's results.

The company recently expanded its facilities for reduction of salmon offal.

Hamilton United Raises Preferred Dividend Rate

A dividend of $1.50 a share has been declared on the 7% preferred stock of Hamilton United Theatres Ltd., payable Sept. 30 to holders of record August 31.

Although the full cumulative rate is $7 a share annually, the company has recently been paying at a rate of $5. The dividend payable Sept. 30 places the shares on a payment basis of $6 annually. After the payment, the stock will be in arrears $15.75 a share.

Last year's profits amounted to $6.79 a share on the preferred.

May Amend Brown Plan

Bondholders Want Capital Raised on Junior Security

From Our Own Correspondent

MONTREAL.—Brown Co.'s plan of capital reorganization, providing for the raising of $12.5 millions of new capital through an underwriting agreement with Wood, Gundy and Co. and McLeod, Young, Weir and Co., may strike a snag in view of reported opposition from some of the bondholders.

According to the plan submitted to the Federal Courts by Orton B. Brown, vice-president and managing director, the financing programme will consist of $6.5 millions of new bonds under the present indenture on the Brown Corp., the Canadian subsidiary, and $6 millions of unsecured convertible serial notes of the Brown Co.

With this additional capital the company would pay off all arrears of bond interest in cash and with the balance provide for an important expansion programme, more particularly at La Tuque, P.Q.

The company plan is that the new bonds would be secured by the same trust deed as that covering existing bonds, or that a new indenture be made up to cover both the old and new issues. In either event bonds ranking equal to or ahead of the present issue cannot be issued without the consent of the existing bondholders.

Those in opposition to the plan claim that as the company is now earning all bond interest, plus depreciation and dividends on the preferred stock, the new money can be raised on a security junior to the bonds.

During the 24 weeks ended May 15 last, net sales of Brown Co. totalled over $11.1 millions, an increase of 37% over sales of $8.1 millions a year ago.

Net profit for the period, after current interest, income taxes, depreciation and depletion, and after allowing for deferred interest, totalled $567,736. A loss on the same basis of $757,691 was reported for the same 24-week period of the year previous.

Ford of Canada Volume Up 30%

Higher Costs Prevent Net Earnings Rising Proportionately

Production of the Ford Motor Co. of Canada has increased approximately 30% in the first six months of 1937 over that for the corresponding period of 1936, it is understood. This gain was shared about equally by the Canadian market and the company's export business. Exports continue to absorb about 50% of output.

Net earnings are understood to have shown some gain compared with the same period of 1936. Increased costs for labor and materials, however, have prevented profits from showing the same proportionate gain as has production. Selling prices of the company's cars in Canada have recently been raised about 5%.

Ford Motor Co. of Canada is nearing the end of its expansion programme. Started early in 1937, this programme is intended to increase manufacturing facilities at the Windsor plants by about 25% and give the company an eventual capacity of 100,000 units per year. Actual production for 1936 was 59,971 units and the 300% increase mentioned for 1937 to the end of June would add 18,000 units to this, bringing total production for 1937 to approximately 78,000 units if the rate of increase is maintained for the full year. This would still be slightly less than the 1935 production of 79,844 units.

The New Zealand assembly plant started operations at the beginning of 1937 and a 50% increase in capacity has been approved. An expansion programme in Australia, to involve $1 million, has been postponed until the findings of a tariff commission appointed by the Australian Government have been reported.

Last year Ford of Canada earned a net profit of $3.4 millions of which $2.5 millions came from dividends paid by subsidiaries operating in other countries. This was equivalent to $2.02 a share on the company's stock and dividends of $1 a share were paid.

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Auto Registrations—Passenger	1,036,374
Commercial	186,120
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English Reading Owner-Occupied Homes (Urban)	867,035
Total Circulation of this Group of Magazines	1,029,205

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 23

Range 1937 High	Low	Div R'te $	Aug21 Y'ld %	Stock	Sales	Last Aug. 16	Week end. Aug. 23 H	L	Cl'se
				A					
15½	5	.	...	Abitibi	8325	6½	6½	5½	6
80	41½	.	...	Do. pref. 6%	1169	61½	62	57½	57½
97	60	.	...	Do. pref. 7%	....	(— bid — asked)			
79½	41	.	...	Do. cert. dep.	45	61½	61½	61½	61½
6½	4	10c	...	Acadia Sugar	....	(— bid 5 asked)			
18½	9	50c	5.5	Acme Glove	....	(10 bid 11 asked)			
94	75	6.50	8.7	Do. pref.	....	(75 bid — asked)			
12	8½	60+30c	.	Agnew Surp.	105	12	12	12	12
110	105	7	6.4	Do. pref.	120	108	110	110	110
7	3	.	...	Alta. Pac. Gr.	....	(3 bid 4 asked)			
43½	15	.	...	Do. pref.	10	16	15½	15½	15½
135	114	.	...	Aluminum	27	118	122	122	122
130	130	6+7.75▲	.	Do. pref.	....	(130 May 19)			
7	4	.	...	Amal. Electric	....	(5 bid — asked)			
31	26	.	...	Do. pref.	25	30	31	30	30
35½	29½	15c	...	Amer. Cyn. B.	....	(— bid 43 asked)			
92	84	.	...	Asbestos	619	89	89½	85	85
16	11	80c	5.6	Assoc. Brew.	310	14½	14½	14	14½
111	106	7	6.3	Do. pref.	5	111	111	111	111
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
57	45	1.26	...	Do. pref.	10	51	45	45	45
102½	100	5.50	5.5	Ault & Wiborg pf.	....	(— bid 100 asked)			
				B					
60	57	2.25	3.8	Bank of Canada	54	59	59½	58½	59
161½	143	8	4.9	Bk. Can. Nat.	33	161	161	159½	160½
245	219	8	3.6	Bk. Montreal	31	224	225	224	224
340	305	12	3.7	Bk. N. Scotia	5	337	335	335	335
273	246	10	4	Bk. Toronto	....	250½ bid 255 asked			
8	6	.	...	Barcelona	....	(4½ bid 7½ asked)			
15	10	96c	9.2	Barker's Bread	....	(10½ bid 10½ asked)			
48	43½	2.50	5.7	Do. pref.	....	(44 bid 48 asked)			
24½	17	.	...	Bathurst Pr.	1586	22½	22	20½	20½
12½	6½	.	...	Do. (B)	490	10	10	9½	10
5½	1½	.	...	Bawlf Grain	....	(2½ bid 2½ asked)			
38	16	.	...	Do. pref.	5	27	16	16	16
10	4	.	...	Beath & Sons	....	(4 bid 5 asked)			
21½	14½	.	...	Beatty Bros. A.	40	18½	19	18½	19
112	100	6	5.6	Do. pref.	....	(107 bid 110 asked)			
105	99	7	7	Do. pref.	24	100	100	100	100
10	5	.	...	Beauharnois	2005	8½	8½	8	8½
107	100	4	3.8	Belding Cort.	....	(— bid 107 asked)			
130	123½	7	5.6	Do. pref.	....	(125 bid — asked)			
178	154	8	4.8	Bell Telephone	660	169½	170	169	169½
16½	10	25c	...	Biltmore Hats	50	13	12½	12½	12½
110	109½	7	6.4	Do. pref.	....	(— bid 120 asked)			
13	8½	.	...	Bissell, T. E.	....	(7 bid — asked)			
70	45	.	...	Do. pref.	....	(50 bid 60 asked)			
6½	4	.	...	Blue Ribbon	7	5	4½	4½	4½

[illegible]

Range 1937 High	Low	Div R'te $	Aug21 Y'ld %	Stock	Sales	Last Aug. 16	Week end. Aug. 23 H	L	Cl'se
				S					
103½	98½	5.50	5.3	Saguenay Pr. p.	191	103	103	100½	102½
22	13	.	...	Sarnia Br. (A)	....	(13 bid 17½ asked)			
16	7	.	...	Do. (B)	15	8	8	8	8
34	25½	80c	2.9	Shawinigan Pr.	1121	28½	28½	27½	27½
30	23	.	...	Sher. Wms.	685	24	23½	23	23
131	115	7	5.8	Do. pref.	10	120	120	120	120
1.60	1.50	.	...	Silverwoods	165	1.60	1.50	1.50	1.50
4½	3½	.	...	Do. pref.	325	4½	4½	3½	3½
16	13½	.	...	Simon & Son	35	14	14	13½	13½
110	100	10.50	...	Do. pref.	15	110	103	103	103
110	93	5	5.1	Simpson, pf.	23	99	99	93	99
38	20	.	...	Do. (A)	....	(— bid 25 asked)			
17	6½	.	...	Do. (B)	140	9	9	8½	8½
122	109	6	5.2	Simpson, R., pf.	....	(111 bid 118 asked)			
18½	12	80c	5.5	So. Can. Pr.	255	14	14½	14	14
108	104	6	5.7	Do. pref.	69	106	107	106	107
15½	8½	.	...	St. Law. Corp.	2915	14	14	12½	12½
39½	25	.	...	Do. (A)	1590	35	35½	33½	35
25½	22	1	4.2	St. Law. Flour	75	24	24	24	24
145	135	7	5.2	Do. pref.	....	(— bid 140 asked)			
98	63	.	...	St. Law. Pap. p.	1052	97½	98	95	95
15½	10	.	...	Stand. Chem.	....	(13 bid 14 asked)			
14½	8	.	...	Stand. Clay	....	(— bid 14½ asked)			
9½	4½	.	...	St. Pav. & Mat.	235	5	4½	4½	4½
56	30	.	...	Do. pref.	....	(30 bid 32 asked)			
49½	36	3+2.25▲		Stand. Steel, p.	....	(42 bid 50 asked)			
96½	77	1.75‡	2	Steel of Can.	475	88½	89	85½	86½
88½	71	1.75	2.1	Do. pref.	57	82	82	80½	80½
5	3½	.	...	Sterling Coal	....	(5 bid 6 asked)			
3½	1	.	...	Stop & Shop	40	1	1½	1½	1½
17	14½	80c	5.5	Stuart, D. A. pf	....	(14½ bid 15½ asked)			
3½	3	.	...	Supersilk H.	....	(3 bid — asked)			
85	80	2.50	...	Do. pref.	60	80	83	83	83
39	33½	1+25c	3.4	Sup. Pete. ord.	17	37	36½	34½	36½
36½	33	1+25c	3.5	Do. com.	....	(— bid 49 asked)			
				T					
16½	15½	80c	4.8	Tamblyn	185	16½	16½	16½	16½
54	52	2.50	4.7	Do. pref.	10	53½	52½	52½	52½
2½	1½	.	...	Thayers	....	(2 bid 2½ asked)			
25	16½	2.50	...	Do. pref.	....	(17 bid 23½ asked)			
2	1	.	...	Thrift Stores	....	(— bid 1 asked)			
8	5	.	...	Do. pref.	....	(— bid 6 asked)			
14½	10	60c	4.2	Tip Top Tailors	350	12½	14½	14	14½
110	104	7	6.4	Do. pref.	55	108½	109	108	109
6	2	.	...	Tooke Bros.	....	(3 Aug. 2)			
34½	17	.	...	Do. pref.	....	(17 bid 25 asked)			
46	25	1	3.7	Tor. Elevators	435	26½	28	27	27
52	47	2.62½	..	Do. pref.	....	(50½ bid 51 asked)			
110	86½	4	4.2	Tor. Gen. Tr.	....	(90 bid 95 asked)			
126	120	6	4.8	Toronto Mtge.	....	(120 bid 125 asked)			
160	150	7	4.4	Tuckett Tob. p.	7	157	157	157	157
18	9½	.	...	Twin City	....	(9 bid 10½ asked)			
				U					
19	13	27½c	...	Union Gas	1251	17	17	16½	16½
28	20	60c	...	Un. Amuse. A.	....	(— bid 27 asked)			
27	24	60c	...	Do. (B)	....	(— bid 27 asked)			
1.15	.65	.	...	United Distill.	225	1.05	1.10	1.05	1.05
62½	46	3▲	...	United Fuel, pf.	430	50½	50	48	48
25	18½	2	10	United Secs.	....	(17½ bid — asked)			
11½	6	.	...	United Steel	3010	9	9	8½	8½
				V					
8	2	.	...	Viau Bisc.	....	(3½ bid 5 asked)			
60	48	5	10	Do. pref.	....	(— bid 50 asked)			
				W					
35	20	1+25c	4.2	Wabasso Cot.	....	(28 bid 29 asked)			
51½	42	2	4	Walker-Good.	6221	49	51	48½	49
20	18½	1	5.1	Do. pref.	1123	19½	19½	19½	19½
3½	1½	.	...	Walkerville Br.	475	2½	2½	2	2
5	2	.	...	Waterloo Mfg.	....	(1½ bid 2½ asked)			
12	5	.	...	West. C. Flour	....	(5 bid 5½ asked)			
90	48	.	...	Do. pref.	105	50	50	48	48
71	65	3	4.3	West. Grocers	15	70½	70	69	69
125	115½	7	5.9	Do. pref.	5	120	118	118	118
18½	13½	80+10c	..	Weston Ltd.	5830	13½	14	13½	13½
106½	97	5	5.2	Do. pref.	35	97	97½	97	97½
8	4	.	...	Windsor Hotel	....	(5 July 8)			
23	10	.	...	Do. pref.	....	(9 bid — asked)			
10½	3	.	...	Winnipeg El. A.	1516	4½	5½	4½	5½
10	3	.	...	Do. (B)	1756	4½	5	4	5
44	20	.	...	Do. pref.	41	25	29	30	29
75	53	3.50▲	...	Wood, A. & J. p	....	(75 bid 83 asked)			
85	65	.	...	Woods Mfg., pf.	....	(65 bid 70 asked)			
				Z					
7½	3½	.	...	Zimmerknit, c.	30	5½	5½	5½	5½

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

Mining Stock Quotations

WEEK ENDED AUG. 23, 1937

Par. Val.	Range High	1937 Low	Company	Sales	Close Aug. 16 (or last)	High for week	Low for week	Close Aug. 23
1	.10½	.03	Afton	4,500	.03½	.04	.03	.03½
No	1.90	.73	Aldermac	31,762	1.24	1.24	1.10	1.12
1	.04½	.01	Alexandria	2,500	.01½	.02	.02	.02
No	8.75	4.50	Anglo-Huronian	1,229	5.95	5.90	5.80	5.85
1	1.42	.36	Argosy	6,200	.50	.49	.45	.45
1	1.42	.26	Arntfield	3,000	.40	.39	.26	.30
No	.09	.02½	Arno	2,100	.02½	.03	.02½	.02½
1	.15	.07½	Ashley	600	.08	.08	.08	.08
1	.27	.06	Astoria Rouyn	31,500	.10	.10½	.08½	.08½
50c	.16	.07	Aztec	4,500	.11½	.11	.11	.11
1	.49	.16	Bagamac	17,775	.37	.37	.32	.33½
1	1.85	.64	Bankfield	11,500	.89	.85½	.75	.78
1	.65	.24	Base Metals	8,850	.29	.30	.27	.28
No	1.75	1.00	Beattie Gold	9,606	1.26	1.26	1.20	1.20
1	.65	.20	Beaufor	7,700	.27	.35	.30	.30
1	1.70	.38	Bidgood Kirk	157,828	.76	.78	.61	.62
1	.72	.40	Big Missouri	3,600	.54	.54	.50	.52
1	.29	.12	Bobjo	8,400	.17	.18	.16	.16½
1	1.14	.19	Bouscadillac G.M.	14,900	.26	.27	.21	.21
No	9.00	6.40	Bralorne	970	7.50	7.45	7.25	7.45
1	.15	.06	Brazil Gold	......	(.06 bid .08 asked)			
1	.21	.05	Brett Trethewey	2,760	.08½	.09½	.05	.09
1	.13	.03	Brownlee	2,500	.05	.04½	.04	.04
1	12.50	8.25	Buffalo Ankerite	1,109	10.87	10.87	10.00	10.50
No	.06½	.02	Buffalo Can	4,000	.03	.03½	.03	.03½
5	30.00	23.50	Bulolo Gold	295	24.75	25.50	23.50	24.25
No	.23	.10	Bunker Hill	13,900	.16	.16	.14	.15
No	2.30	.87	Can. Marlartic	13,548	1.42	1.45	1.24	1.30
1	1.75	1.41	Cariboo Gold	600	1.57	1.61	1.58	1.61
1	.47½	.14	Cartier Malartic	11,000	.19½	.20	.18	.20
1	1.66	.91	Castle Trethewey	7,400	1.10	1.11	.95	1.00
1	.65	.25	Cent. Cadillac	3,300	.35	.35	.34	.35
1	.31	.05	Cen. Manitoba	16,100	.06	.06½	.06	.06
1	5.25	2.10	Cen. Patricia	7,910	3.05	3.05	2.70	2.77
1	.43	.09	Cen. Porcupine	5,400	.14½	.14	.12	.12
No	1.47	.60	Chromium	6,100	.80	.85	.75	.75
5	10.00	3.00	Coast Copper	980	5.50	5.50	4.50	5.00
1	.03½	.01	Cobalt Contact	1,000	.01½	.01½	.01½	.01½
5	3.50	2.00	Coniagas	250	2.35	2.50	2.25	2.45
No	2.14	1.00	Coniaurum	600	1.45	1.45	1.40	1.40
1	2.70	.40	Con. Chibougamau	597,077	1.08	1.12	.40	.49
25	100.50	72.00	Cons. Smelters	3,101	87.00	87.00	82.00	82.00
1	2.98	.31	Darkwater	18,300	.58	.60	.55	.55
No	51.12	38.25	Dome Mines	2,405	42.87	42.75	41.37	41.75
1	.15	.04	Dom. Explorers	2,500	.05	.06	.05½	.06
1	1.22	.38	Dorval Siscoe	9,000	.56	.52	.48	.50
1	.15	.05½	Duparquet	4,800	.08	.08	.07	.07
1	2.05	.65	East Malartic	30,375	1.21	1.23	1.08	1.17
1	3.65	2.10	Eldorado	4,680	2.92	2.95	2.75	2.75
No	12.87	7.00	Falconbridge	4,095	8.00	8.05	7.25	7.50
1	.54	.07	Federal	27,000	.12	.12	.10	.10½
No	1.59	.50	Francoeur Gold	19,350	.84	.85	.68½	.73
1	.30	.03½	Glenora	10,700	.05	.04½	.04½	.04½
1	.65	.28	Gillies Lake	95,100	.38	.38	.30½	.37
No	1.02	.40	God's Lake	13,816	.71	.72	.61	.63
1	.30	.06	Golconda	500	.12	.09½	.09½	.09½
1	.49	.18	Goldale	2,800	.29	.26	.22½	.22½
50c	.39	.12	Gold Belt	600	.23	.23	.23	.23
1	.68	.30	Gold Eagle	13,800	.40	.40	.31	.36
1	.22	.07½	Goodfish	103,000	.13½	.15	.13½	.13½
1	.63	.09	Graham Bosquet	13,900	.14	.15	.12	.15
1	.57	.15	Granada Gold	3,400	.23	.23	.19	.19½
No	.18	.06½	Grandora	7,000	.07½	.08	.07½	.07½
1	.18½	.10	Grull Wihksne	......	(.10 July 20)			
1	1.25	.55	Gunnar Gold	21,620	.79	.95	.78	.90
1	.07	.02	Halcrow Swayze	4,500	.03½	.03	.02½	.03
1	3.44	1.00	Hard Rock	7,010	1.46	1.47	1.33	1.33
1	.35	.12½	Harker	10,500	.17½	.17½	.15	.15½
5	15.50	10.75	Hollinger	2,355	12.25	12.50	12.00	12.25
1	.72	.30	Howey Gold	27,650	.45	.46	.40	.40
No	41.75	25.63	Hudson Bay	2,770	33.12	33.50	31.00	31.75
1	19.25	11.12	Inter. Mining	......	(11.12 June 30)			
No	73.25	54.00	Int. Nickel	15,400	65.38	65.50	63.25	64.00
1	.54	.25	Jacola	14,834	.36	.36	.32	.35
1	1.61	.50	Jackwaite	3,100	.71	.75	.72	.72
1	2.15	.70	Jellicoe	17,515	1.17	1.17	1.09	1.10
1	.59	.17	J.M. Cons. Gold	46,095	.22	.26	.21	.25
1	3.30	1.99	Kerr Addison	28,236	2.50	2.50	2.40	2.45
1	.65	.35	Kerr Lake	......	(.37 bid .50 asked)			
1	.55	.20	Kirk. Gold Rand.	333	.29	.30	.25	.25
1	2.65	1.35	Kirk. Hud. Bay	600	1.65	1.60	1.60	1.60
1	1.70	.90	Kirkland Lake	30,718	1.47	1.45	1.30	1.31
1	.55	.19	Kirk. Townsite	1,100	.24½	.24	.22	.24
1	1.10	.40	Laguna	2,600	.50	.55	.50	.50
1	59.50	46.50	Lake Shore	7,211	51.25	52.00	50.50	51.00
1	.28	.04	Lamaque Contact	17,200	.05	.05	.04½	.05
1	1.33	.55	Lapa Cadillac	9,900	.77	.77	.70	.70
1	1.30	.73	Lava Cap	15,600	1.22	1.24	1.16	1.21
1	.30	.11½	Lebel Oro	44,810	.23	.23½	.20	.20
1	.07½	.02½	Lee Gold	100	.03½	.03	.03	.03
1	1.35	.45	Leitch Gold	6,450	.72	.74	.62	.63
No	8.40	4.85	Little Long Lac	2,056	5.65	5.60	5.25	5.25
1	8.60	4.15	Macassa	9,248	6.10	6.05	5.80	6.85
1	1.26	.55	Madsen Red Lake	21,800	.75	.75	.70	.75
1	.04½	.01½	Malrobic	1,500	.02	.01½	.01½	.01½
No	.69	.20	Mandy	2,550	.35	.34	.30	.31
No	.16	.02	Man. & Eastern	11,500	.03½	.03½	.03	.03
1	.36	.11	Maralgo	4,950	.16½	.16	.14	.14
5	42.25	32.75	McIntyre	2,317	35.25	36.50	35.25	36.25
1	2.03	1.00	McKenzie R.L.	9,500	1.35	1.35	1.25	1.25
1	.65	.40	McKinley	85	.63	.40	.40	.40
No	4.85	1.65	McLeod Cockshutt	7,578	2.06	2.10	1.92	1.98
No	1.21	.35	McWatters	18,800	.53	.54	.50	.53
1	.57	.17	McVittie	12,000	.30	.31½	.28	.28
No	5.00	2.70	Mining Corp.	8,211	3.85	3.80	3.50	3.55
No	.33½	.08	Minto	5,600	.10	.09½	.08	.09
1	.08	.02	Moffatt Hall	3,400	.02½	.03	.02½	.03
1	1.97	.95	Moneta	22,320	1.78	1.80	1.67	1.80
1	.88	.20	Morris Kirk	6,700	.27	.29	.25	.26
1	.45	.10	Montague	100	.17	.10	.10	.10
1	.10	.02½	Murphy	4,200	.03½	.03½	.03½	.03½
1	1.05	.30	Naybob	8,800	.39	.40	.37	.38
No	.12	.01½	Newbec	1,500	.06	.06	.05½	.05½
1	1.49	.45	New Golden Rose	13,524	.67	.64	.53	.55
1	.05	.01½	Night Hawk Penn.	2,500	.02	.02½	.02	.02
5	3.60	2.25	Nipissing	200	2.30	2.35	2.33	2.33
No	83.00	54.50	Noranda	4,913	66.75	66.50	63.50	63.50
No	.95	.64	Nor. Canada	500	.80	.73	.73	.73
1	.06½	.02	Norgold	5,000	.04½	.05	.03½	.03½
1	2.23	1.20	Normetal Mining	8,935	2.00	2.00	1.80	1.82
1	13.25	5.50	O'Brien	8,533	6.25	6.25	5.70	5.80
1	1.28	.40	Omega	24,750	.68	.68	.56	.56
1	2.20	.85	Oro Plato	31,694	2.07	2.07	1.85	1.85
1	.30	.10	Osisko	......	(... bid .19 asked)			
No	4.05	1.90	Pamour	14,280	3.15	3.15	2.90	2.90
1	1.10	.30	Pandora	4,400	.62	.60	.50	.54
1	.42	.15	Parkhill	4,385	.19½	.20	.18	.18
1	3.80	1.90	Pato Cons. G.	835	2.25	2.60	2.50	2.50
1	.41	.11	Partanen Gold	14,200	.19	.19	.17	.17½
1	.06	.01½	Pawnee Kirk	1,000	.02	.02½	.02½	.02½
1	.46	.12	Paulore	4,200	.20	.22	.19	.20
1	1.38	.49	Paymaster	28,550	.65	.65	.60	.62
1	.35	.22	Payore	15,100	.31	.32	.29	.31
1	6.60	2.55	Pend Oreille	3,550	4.50	4.45	4.00	4.00
1	2.51	.70	Perron Gold	13,000	1.20	1.18	1.05	1.05
1	.03½	.01½	Peterson Cobalt	......	(.01½ bid .01½ asked)			
1	9.20	4.90	Pickle Crow	8,320	5.95	5.95	5.60	5.60
1	6.85	3.65	Pioneer Gold B.C.	1,105	4.00	4.10	3.95	4.00
1	17.50	15.00	Placer Development	110	16.50	17.00	17.00	17.00
1	.11	.03½	Porcupine Crown	5,000	.04	.03½	.03½	.03½
1	2.20	.75	Powell Rouyn	27,900	1.60	1.66	1.47	1.48
1	4.00	1.95	Premier Gold	3,550	2.40	2.40	2.25	2.25
1	1.47	.5?	Preston E. Dome	126,530	1.38	1.39	1.15	1.23
No	1.75	1.10	Prospectors Air's.	......	(1.70 bid 2.00 asked)			
1	.88	.30	Quebec Gold	300	.40	.41	.41	.41
No	.48	.07	Quemont	200	.13	.13	.13	.13
1	6.85	2.80	Read Authier	3,300	4.15	4.00	3.75	3.75
1	1.78	.29	Red Lake	34,850	.41	.41	.34	.35
1	2.00	.40	Redcrest	4,900	.64	.63½	.55	.56
1	1.35	.72	Reno Gold	5,705	.95	.93	.90	.90
1	1.52	.70	Reeves McDonald	1,800	1.00	.95	.90	.90
1	.22	.06	Reward	5,100	.09	.09½	.08½	.08½
1	.16	.04	Ritchie	13,300	.04½	.04½	.04	.04
1	.12½	.02½	Robb Montbray	4,100	.03½	.03½	.03	.03½
1	.48½	.09	Roche Long Lac	20,800	.18	.18	.15	.15
1	2.40	1.25	San Antonio	5,100	1.66	1.67	1.60	1.60
1	1.13	.35	Shawkey	9,340	.65	.70	.55	.60
50c	.92	.57	Sheep Creek	2,900	.90	.92	.90	.90
1	4.00	1.80	Sherritt Gordon	23,384	3.05	3.05	2.70	2.80
1	6.65	3.05	Siscoe	8,565	4.00	4.05	3.75	3.80
1	2.50	.76	Sladen Malartic	23,000	1.20	1.17	1.03	1.07
1	2.50	.50	Slave Lake	9,600	.67	.70	.50	.52
No	2.90	.90	Stadacona	66,970	1.40	1.40	1.25	1.30
1	.32	.12	St. Anthony	20,000	.17	.18	.16	.17
No	6.90	3.00	Sudbury Basin	1,225	4.70	4.70	4.50	4.50
1	.40½	.15	Sudbury Contact	1,700	.25	.23	.20	.20
1	2.25	1.00	Sullivan Cons.	7,405	1.38	1.37	1.28	1.30
1	4.80	2.70	Sylvanite	4,760	3.45	3.45	3.20	3.20
1	.29	.06	Tashota	15,220	.09½	.09½	.06½	.06½
1	6.10	4.55	Teck Hughes	4,638	5.50	5.40	5.15	5.20
1	2.15	.47	Thomp Cadillac	24,150	.55	.55	.50	.52
1	.65	.20	Temiskaming	52,650	.41	.42½	.38½	.40
1	4.60	1.85	Toburn Gold	825	2.90	2.70	2.50	2.50
1	2.00	.73	Towagmac	4,600	1.35	1.30	1.18	1.18
1	2.60	.40	Treadwell	200	.80	.70	.70	.70
1	1.10	.50	Uchi Gold	13,775	1.00	1.03	.94	1.00
No	9.10	6.00	Ventures	867	8.50	8.25	8.00	8.25
No	4.65	2.10	Waite Amulet	9,713	3.95	3.95	3.50	3.70
No	.05	.02	White Eagle	2,600	.02½	.02½	.02	.02
1	.30	.10	Whitewater	10,901	.16	.15½	.13	.14
1	.17	.03½	Wiltsey Coughlan	1,000	.06	.05	.05	.05
1	.77	.30	Wood Cadillac	13,700	.38	.39	.34	.36
No	8.20	5.85	Wright-Hargreaves	7,800	6.70	6.70	6.55	6.70
No	.53	.24	Ymir Girl	2,700	.26	.29	.27	.27
			OIL STOCKS					
No	.22	.10	Acme Gas & Oil	6,300	.14½	.14½	.14	.14
1	.95	.29	Alta. Pac. Cons.	1,900	.31	.33	.30	.30
1	.57	.25	Ajax	100	.33	.30	.30	.30
1	1.10	.20	Br. Dominion	1,000	.27	.25	.23	.23
No	.65	.41	Brown Oil	2,000	.41	.47	.42	.44
No	6.55	2.00	Calgary & Ed.	18,855	2.60	2.73	2.35	2.55
1	1.75	.40	Calmont	9,400	.56	.65	.55	.57
No	.95	.24	Common Pete	1,000	.28	.35	.29	.35
No	3.60	.55	Dalhousie	4,272	.90	.95	.80	.85
No	.37	.33	Davies	21,400	.....	.36	.33	.36
No	.75	.10	Eastcrest	1,200	.13½	.13½	.13½	.13½
25c	.25½	.18	Firestone Pete	......	(.18 bid .19 asked)			
No	3.25	.90	Foothills	2,900	1.15	1.20	1.01	1.08
No	1.20	.20½	Foundation Pete.	13,800	.30	.32	.28	.29
No	.36	.16	Hargal	......	(.18 bid .27 asked)			
No	.90	.15	High Sarcee	9,400	.21	.22	.20	.20
No	4.10	1.35	Home	8,195	1.95	2.07	1.85	1.85
1	.87	.31	Homestead O.&G.	21,300	.52	.57	.50	.50
No	.70	.35	Hunter Valley	800	.35	.35	.35	.35
No	.16	.15	Do. warrants	......	(.05 bid .15 asked)			
No	.90	.20	Lowery	......	(.16 bid .26 asked)			
No	.63	.25	Mercury	6,600	.30	.31	.29½	.30
No	.44	.18	McD. Segur Ex.	4,400	.24	.26	.24	.24
No	.39	.10	Merland	3,000	.11	.11½	.11	.11
1	1.15	.38	Model	1,200	.55	.51	.50	.51
25c	.56	.32	Monarch Royal	23,800	.32	.37	.30	.36½
1	.49	.15	Nordon	14,300	.20	.21½	.20	.21
No	.12	.04	Oil Selections	1,300	.05½	.04½	.04½	.04½
No	4.10	1.05	Okalta	7,750	1.60	1.75	1.55	1.63
No	.12	.03	Olga Gas & Oil	1,500	.03½	.03½	.03½	.03½
1	.43½	.10	Pacalta	72,100	.21½	.24½	.20	.20
1	.70	.60	Petrol Oil & Gas	......	(.55 bid .65 asked)			
25c	.80	.22	Prairie Royalite	1,200	.23	.24	.23	.24
No	60.00	34.50	Royalite	1,194	45.25	46.25	43.00	43.00
No	2.00	.50	South West Pete	175	.70	.60	.60	.60
No	.19	.15	South End	6,000	.15½	.19	.15	.15
1	.63	.22	Spooner Oil	200	.28	.22	.22	.22
No	2.35	1.50	Texas Can.	4,000	1.86	1.90	1.75	1.80
No	.70	.17	United Oil	17,900	.22	.24	.21	.21
1	2.25	1.00	Vulcan	200	1.60	1.70	1.65	1.65

VANCOUVER STOCK EXCHANGE

Par. Val.	Range High	1937 Low	Company	Sales	Close Aug. 16 (or last)	High for week	Low for week	Close Aug. 23
50c	.15	.08	Aztec	22,000	.10	.12	.10	.10
20c	.04	.01	Beaver Silver	3,000	.01½	.02	.01½	.01½
1	.70	.42	Big Missouri	3,650	.54	.54	.53½	.53½
25c	.07½	.01½	Bluebird	3,000	.02½	.02	.02	.02
No	9.00	6.10	Bralorne	3,075	7.40	7.50	7.35	7.50
1	.07½	.02	Bridge River Cons.	2,500	.03	.02½	.02½	.02½
50c	.19	.05	B.R.Mountain Gold	......	(.05 Aug. 12)			
1	.40	.16	B.C. Nickel	7,100	.17½	.17½	.16	.16½
1	3.85	1.75	B.C. Silver	100	2.10	1.95	1.95	1.95
50c	.04½	.02	Canadian Rand	......	(.02 July 20)			
1	1.79	1.43	Cariboo Gold	900	1.59	1.60	1.58	1.60
1	.14	.02½	Congress Gold	10,000	.03	.04	.02½	.03½
25c	.05	.01	Cork Province	......	(.01 bid ... asked)			
No	.28	.13	Dentonia	22,850	.14	.15	.13½	.15
1	.05	.03	Dunwell	......	(.02 bid .02½ asked)			
No	.18	.06	Fairview Amal.	3,401	.06½	.06½	.06	.06½
1	.06½	.02	Federal Gold	4,000	.02½	.02½	.02½	.02½
1	1.43	.38	George Copper	......	(... bid .55 asked)			
50c	.06½	.02½	George Enterprise	......	(... bid .03½ asked)			
1	.05	.01½	Georgia River	1,000	.01½	.01½	.01½	.01½
1	.29	.05	Golconda	1,000	.08½	.08½	.08½	.08½
50c	.37	.11½	Gold Belt	6,600	.24	.25	.24½	.25
50c	.43	.02½	Gold Mountain	16,000	.03½	.03½	.02½	.02½
50c	.30	.11½	Grandview	11,970	.22	.22	.19½	.19½
1	.18½	.07	Grull Wihksne	8,300	.08½	.08½	.07½	.07½
No	.05	.00½	Haida Gold	......	(.01 June 23)			
No	.13	.02	Hedley Sterling	......	(... bid .02 asked)			
No	.04½	.01½	Home Gold	44,900	.03	.02½	.02½	.02½
1	.08	.02	Indian Mines	3,000	.02½	.02½	.02½	.02½
50c	1.18	.55	Island Mountain	6,300	.64	.69	.65	.65
1	.24	.21	Inter'tl Coal	......	(.23 bid .25 asked)			
1	.06½	.03	Inter'tl Gold	......	(... bid .03½ asked)			
50c	1.15	.71	Kootenay Belle	2,925	1.04	1.05	.99	.99
20c	.07	.01½	Koot. Florence	7,400	.02½	.02½	.02	.02½
1	.03½	.00½	Lakeview	6,500	.01½	.01½	.01½	.01½
10c	.19½	.04½	Lucky Jim	24,100	.07	.07	.06	.06½
No	.07½	.02	Mak Siccar	......	(.02½ Aug. 16)			
1	.19½	.18	McGillivray Creek	......	(.19½ bid ... asked)			
50c	.06½	.01	Meridian Min.	......	(.01 bid ... asked)			
25c	.17	.02½	Metaline	......	(.02½ July 13)			
No	.38	.08½	Minto Mines	29,000	.09½	.09	.08½	.08½
50c	.15½	.04	Nicola	12,700	.06½	.07	.06	.06
50c	.17	.05	Noble Five	12,700	.07	.06½	.06½	.06½
1	6.75	2.55	Pend Oreille	750	4.60	4.40	4.10	4.15
No	.07½	.02½	Pilot Gold	8,500	.03½	.03½	.03	.03
1	6.75	3.70	Pioneer Gold	765	3.95	4.00	4.00	4.00
50c	.15	.04½	Porter Idaho	1,000	.06	.05	.05	.05
No	.06½	.01½	Premier Border	......	(.02 bid .02½ asked)			
1	4.80	1.95	Premier Gold	2,880	2.41	2.40	2.25	2.25
1	.15	.03	Quatsino Copper	6,500	.05	.05	.04½	.05
25c	.17	.07	Quesnelle Quartz	9,200	.11	.11	.09	.09
1c	.05½	.01½	Reliance	9,000	.02	.02½	.01½	.02½
1	.37	.12	Relief Arlington	1,600	.23	.25	.22½	.22½
No	1.90	.63	Reeves McDonald	835	1.00	1.00	.85	.85
1	1.31	.75	Reno Gold	1,600	.92	.91	.90	.90
1	.20½	.06	Reward Mining	3,500	.08½	.09	.08½	.09
1	.09½	.02½	Rufus Argenta	3,510	.03	.03½	.03	.03
1	.11½	.02½	Ruth Hope	1,500	.04½	.03½	.03½	.03½
1	.12	.04	Sally Mines	......	(.06 bid ... asked)			
50c	.15	.07½	Salmon Gold	4,200	.08	.08½	.08	.08
50c	.92	.58	Sheep Creek	14,450	.90	.92	.90	.92
1	3.20	2.50	Sihak Premier	......	(2.00 bid 2.20 asked)			
25c	.14½	.04	Silvercrest	1,000	.05½	.05	.05	.05
20c	.10	.01	Silversmith	11,000	.03	.03½	.03	.03½
1	.63	.40	Standard Silver	100	.45	.42	.42	.42
1	.75	.20	Sunloch	600	.30	.25	.22	.25
10c	21.00	19.75	Sunshine	......	(19.75 Apr. 5)			
No	.13	.04½	Taylor Bridge	......	(.04½ bid ... asked)			
No	1.05	.30	Vidette Gold	3,000	.38	.37	.37	.37
No	.06½	.00½	Viking Gold	4,500	.01½	.01½	.01½	.01½
50c	.03	.00½	Waverley Tangier	8,500	.01	.01	.00½	.00½
20c	.13½	.02½	Wellington	4,000	.04½	.04½	.04	.04
50c	.50	.15	Wesko	5,400	.18	.17	.17	.17
1	.42	.10	Whitewater	26,900	.14½	.15	.14	.14½
No	.50	.21½	Ymir Yankee Girl	3,000	.24	.28	.27	.27
			OIL STOCKS					
1	1.09	.26	Alta. Pac. Cons.	3,800	.32	.32	.30	.32
1	.14½	.05½	Amalgamated	5,000	.06	.05½	.05½	.05½
No	.45	.07	Associated Oil	......	(.12 bid ... asked)			
1	.64	.07½	Anaconda	4,100	.12½	.12	.10½	.11
No	.24	.04½	Baltac	600	.07	.06	.06	.06
1	1.05	.15	Brit. Dominion	......	(.26 Aug. 12)			
1	.80	.26	Commonwealth	2,600	.33½	.33	.30	.31
No	6.50	2.15	Calgary & Ed.	5,893	2.61	2.60	2.33	2.51
1	1.84	.43	Calmont	2,568	.55	.59	.55	.55
1	.13	.04½	Crow's Nest	10,800	.05	.05½	.05	.05
No	3.55	.71	Dalhousie	150	.92	.89	.80	.80
No	.24	.05	Devenish	......	(.05 bid ... asked)			
No	.45	.13	Eastcrest	......	(.15½ July 24)			
No	.96	.23	Foundation Pete.	1,000	.28	.29	.28	.28
No	.44	.07½	Freehold	57,200	.09	.08½	.07½	.07½
No	.40	.10	Hargal	100	.18	.18½	.18½	.18½
No	.91	.14	High Sarcee	600	.21	.20	.20	.20
No	4.10	1.50	Home Oil	1,300	1.95	2.00	1.85	1.85
No	.88	.20	Lowery Pete.	1,000	.21	.21	.21	.21
No	.35	.04½	Madison	7,800	.08½	.08½	.08½	.08½
No	.50	.11½	Marjon Oil	2,800	.13	.13½	.11½	.12
No	.78	.18	McD. Segur Ex.	14,000	.25	.25½	.24	.24
1	1.60	.38	McLeod	500	.45	.40	.38	.38
No	.88	.22	Mercury	18,700	.29½	.31	.29	.31
No	.39	.10	Merland	......	(.10½ bid .11½ asked)			
No	.65	.16	Mill City Pete.	700	.20	.24½	.20	.24½
No	.65	.08	Midwest Pete.	9,700	.09½	.09½	.09	.09
1	1.15	.44	Model	1,650	.53	.53	.50	.51
25c	.52	.23	Monarch Royal	29,300	.30½	.37	.31	.36
5	.48	.14	Nordon	1,500	.19½	.21	.21	.21
No	4.60	.85	Okalta	4,150	1.59	1.67	1.55	1.60
No	.44	.11½	Pacalta Oil	2,100	.20	.22	.20	.20
25c	.25	.25	Prairie Royalties	......	(.25 Aug. 11)			
1	1.50	.15	Ranchmen's	2,900	.17	.15	.15	.15
No	59.00	34.00	Royalite	65	46.00	46.00	44.00	44.00
No	2.00	.45	Southwest Pete.	500	.70	.70	.60	.60
1	.75	.19	Spooner	......	(.22 bid .24½ asked)			
No	.72	.16½	United	5,500	.22	.21½	.20	.21
No	.38	.05	Vanalta	5,000	.10	.08	.08½	.08½
1	3.05	.95	Vulcan	1,430	1.60	1.60	1.55	1.57

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 24, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 24	Asked	Bid Aug. 17
†Assoc. Tel. & T.	5½	'55	82	85	82½
▲Avalon Tel.	5½	'48	102	...	101½
Beauharnois P.	5½	'73	62½	...	62½
‡Bell Telephone	5	'55	112½	115½	112½
‡Do.	5	'57	119	122	119
B. C. Power	4½	'60	99	102	99
B. C. Tele.	4½	'61	106	109	106½
‡Calgary Power	5	'60	95	98	96
‡Do.	5	'64	94½	97½	95
†Can. Nor. Pwr.	5	'53	103	106	103
‡Dom. Gas & El.	6½	'45	84	87	85½
‡Gatineau Pwr.	5	'56	102½	105½	102½
‡Do., A	6	'41	100½	103½	100½
‡Do., B	6	'41	100½	103½	100½
Gt. Lakes Pwr.	4½	'56	93½	96½	93
‡Inter. Hydro-El.	6	'44	80½	83½	83
‡Inter. Power	6	'57	98½	101½	98½
‡Do.	6½	'57	99½	102½	99½
▲Do.	6	'55	101	...	101
†Macl'n-Que. Pr.	5½	'61	101	104	101½
†Do.	5½	'64	100½	103½	100½
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L., H. & P.	3½	'56	99	102	99
†Mtl. Tramways	5	'41	100½	103½	100½
†Do.	5	'55	79	82	79½
Nfld. L. & P.	4½	'56	98	101	99
N. S. L. & Pr.	4	'57	98½	101½	98½
†Ot'wa L. H. & P.	5	'57	104	107	104½
†Ottawa V. Pwr.	5½	'70	104½	107½	104
†Power Corp.	4½	'59	99	102	99
Saguenay P., B.	4½	'66	102½	105½	102
*Do., A	4½	'66	101	104	100½
†Shaw. W. & Pr.	4	'61	98½	101½	98
†Do.	4½	'70	103½	106½	104
†United Secs.	5½	'52	78	81	80
†West. Pwr. Co.	5	'49	104	107	104
‡Wpg. Elec., A	4	'65	74½	77½	75
‡Do., B	4	'65	62½	65½	63
Industrial and Realty Issues					
†Abitibi P. & P.	5	'53	96½	99½	97½
Acadia Sugar	4½	'55	100½	103½	100
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'47	107½	110½	107½
†Canada Cement	4½	'51	103	106	103
†Canada Paper	4½	'52	97½	100½	97
Can. Steamship	5	'57	76	79	73
Can. Canners	4	'51	99½	102½	99½
Can. Bakeries	6½	'45	100	103	100
‡Can. Inter. Pap.	6	'49	101	104	101½
C. P. R. debs.	4	Per.	94½	95½	...
Do.	3½	'51	95½	98½	95½
Do.	4	'49	99	102	99½
Do.	4½	'44	101	104	101
†Can. Vickers	6	'47	96	99	95½
†Consol. Paper	5½	'61	94½	97½	96
‡Dominion Coal	6	'55	100½	...	100½
▲Do.	5	'40	104½	...	104½
▲Dom. Stl. & C.	6½	'55	106	109	107½
Dom. Tar	4½	'51	100	103	100
Dom. Textile	4½	'55	105½	108½	105½
†Donnacona P.	4½	'56	87	90	87½
†Famous Players	4½	'51	97	100	97
†Fraser Cos.	6	'50	103½	106½	103½
†Gen. Steel W.	4½	'52	96½	99½	96½
Great Lakes P.	5	'55	98	101	97½
†Gypsum, Lime.	5½	'48	101½	104½	101
†Gr. Br. & Can. Invest.	4½	'59	86	89	86
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'50	99½	102½	99
†Inter. Paper	6	'55	96½	99½	98
†Inter. P. & P. Nfld.	5	'68	102	105	102½
Inter City Bak.	5½	'48	103	106	103
†Kingston Elev.	6	'50	95½	98½	96½
Lake St. John P. & P.	5½	'61	101	104	101
Do.	5	'61	84	87	84½
†Lond. Can. Inv.	4½	'48	95	98	95
†Massey-Harris	5	'47	97	100	97
†McColl-Front.	6	'49	103	106	103½
†Mersey Paper	6	'49	100½	103½	100
‡M. & O. Paper	6	'45	75	78	74½
Nat'l Grocers	4	'47	100½	...	100½
Nor. Ont. Bldg.	6½	'39	97½	100½	97
†Price Bros.	5	'57	101	104	101½
‡Prov. Paper	5½	'47	101½	104½	101
Queen's Hotel	6	'47	98	101	98
†Restigouche C.	6	'48	110	113	108½
†Rolland Paper	5½	'51	103	106	103
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	97	100	97½
†Smith, Howard	4½	'51	104	107	104
†Steel of Canada	6	'40	109½	112½	109½
Sterling Coal	6	'40	94½	97½	94½
*Twin City	5½	'52	75½	78½	76
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	95	...	95
Union Gas	4½	'50	100	103	100
▲Wabasso Cot.	4½	'51	96	99	97
Windsor Hotel	6½	'43	82	...	82
Do.	6	'47	40½	43½	42

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 24, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.25	4.50
Acme Farmers Dairy, pfd.	44.00	49.00
Algoma Steel, com.	16.25	17.50
Do., pfd.	83.00	86.00
Andian Nat. Corp.	54.00	58.00
Brandram-Henderson, com.	5.00	6.50
Do., pfd.	20.00	....
B. C. Pulp & Paper, com.	42.00	43.00
Do., pfd.	99.50	....
Burns & Co., A	10.00	....
Do., B	4.75	....
Can. Airways	4.50	6.00
Can. Industries, A com.	235.00	....
Can. Ingersoll Rand	128.00	131.50
Can. Tube & Steel, com.	13.00	15.00
Do., 1st pfd.	92.50	....
Do., 2nd pfd.	24.00	....
Chase, A. W., pfd. bonus	27.00	....
Conduits Nat., com.	5.50	6.25
Crescent Creamery, pfd.	35.00	37.00
Dominion Woollens, com.	.90	1.20
Do., pfd.	4.50	5.50
Dunlop Tire, pfd.	91.00	....
Federal Grain, com.	....	2.75
Do., pfd.	31.00	38.00
Goderich Elevator	4.50	5.25
Greening Wire, pfd.	110.00	....
Guelph Carpet, pfd.	105.00	107.00
Do., com.	25.50	28.50
Hayes Steel Prod., com.	10.75	12.00
Do., pfd.	8.00	9.00
Highland Dairy, pfd.	80.00	83.00
Loblaw's Inc. (U.S.) Units	83.00	....
McCormick's, com.	4.50	5.50
Do., pfd.	17.50	....
Morrison Brass, pfd. bonus	11.00	13.00
Mount Royal Hotel, pfd.	4.10	4.75
New Meth. Laund., pfd. bon.	93.00	96.00
Paterson, Wm., pfd.	100.50	....
Perfection Pete., pfd.	21.00	23.00
Provincial Paper, pfd.	107.25	108.50
Quebec Pulp, pfd.	31.50	33.00
Reliance Grain, pfd.	....	84.00
Rob. Consol. Cone	10.75	11.50
Ruddy, E. L., pfd.	....	33.00
Seal O Sac (Can.)	12.00	14.50
Standard Fuel, com.	5.00	6.50
Do., pfd.	....	96.00
Supert. Pet., B pfd.	28.00	28.00
Toronto Carpet, com.	57.00	....
Do., pfd.	60.00	....
United Steel, A pfd.	19.25	21.00
West. Grain, pfd. bonus	6.00	8.00
Weston (Geo.) Foods (Eng.)	3.00	3.50
Wings Limited	1.05	1.25
Zellers Ltd., pfd.	81.00	....
Trust & Loan Stocks:		
Chartered Trust	99.00	101.00
Commercial Finance, com.	2.50	3.00
Guelph Ont. Inv., par $50	49.00	52.00
London & West. Trust	50.00	55.50
Prudential Trust	6.50	....
Sterling Trust	41.50	....
Traders Fin., A com.	18.00	19.50
Do., Inc. rights	11.50	14.00
Do., B pfd. bonus	95.00	98.50
Trusts & Guarantee	28.00	30.00
Insurance Stocks:		
Canada Life	535.00	545.00
Canadian Ins. Shares	16.00	....
Confederation Life, 20% pd.	113.00	118.00
Dominion Fire	135.00	....
Dom. of Can. Gen.	125.00	135.00
Empire Life, 25% pd.	12.25	13.50
Federal Fire, 25% pd.	39.00	....
Great West Life	320.00	340.00
Guar. of N.A., fully pd.	325.00	340.00
Do., 20% pd.	61.00	....
Imperial Life	363.00	370.00
Manufacturers Life	280.00	295.00
Monarch Life, 10% pd.	25.00	27.00
Sovereign Life, 25% pd.	16.00	18.50
Sun Life (Div. $15)	690.00	715.00
Western Assce., com.	52.00	55.00
Do., pfd.	40.00	43.00
Theatre Stocks:		
Allens, Kingston, pfd.	67.50	....
Do., St. Catharines, pfd.	61.00	....
Do., Tor., pfd. bonus com.	29.00	32.00
Loew's London, pfd.	2.25	3.00
Mansfield Theatre, pfd.	30.00	34.00
Paramount Kitchener, pfd.	58.00	62.00
Do., Oshawa, pfd.	90.00	93.00
United Amusement, A, V.T.	18.50	20.50
Do., B	21.00	22.00
Investment Trust Shares:		
Can. Gen. Invest.	9.90	10.20
Can. Investment Fund	4.60	4.95
Can. Investors Corp.	8.75	9.25
Cons. Div. Std. Sec., com.	.40	....
Do., pfd.	22.00	....
Invest. Found., pfd. bonus	58.00	60.00
Lon. Can. Invest., com.	4.50	5.25
Sec's Hold., pfd. bonus	20.00	22.50
United Corpns., A	23.75	25.00
Do., B	22.50	24.00
Power Issues:		
Can. West. Nat. Gas, com.	25.50	....
Do., pfd.	89.00	92.00
For. Power Sec's., pfd.	8.75	10.25
Great Lakes Power, pfd.	99.50	....
Inter. Util., $1.75 pfd.	16.75	18.00
Do., $7 pfd.	93.00	....
Montreal Island Pwr., pfd.	15.50	18.00
New Brunswick Tel., com.	13.50	14.25

Winnipeg Stocks

(Transactions from Aug. 16 to Aug. 21)

	Sales	High for period	Low for period	Close Aug. 21
Beaver Lumber	70	4.00	4.00	4.00
Canadian Fire	4	78.00	78.00	78.00
Flin Flon	5,400	.07	.06½	.06½
Gt. Falls M. & S.	950	.08½	.08½	.08½
Gurney	5,700	.40	.37½	.40
Gold Lake	1,000	.02½	.02	.02½
Island Lake	1,000	.02	.02	.02
Knee Lake	500	.02	.02	.02
Monarch Gold	300	1.25	1.00	1.00
Star Lake	1,000	.02½	.02	.02½
Ore Grande	6,100	.02	.02	.02
Packsack	500	.11	.11	.11
Sovereign Life	10	16.00	16.00	16.00
Sachigo River	600	17.00	13.75	17.00
Traders Bldg.	5	90.00	90.00	90.00
United Grain	2	8.00	8.00	8.00
West. Brew.	100	1.10	1.10	1.10
West Steel, pf.	10	11.50	11.50	11.50
Wings, Ltd.	140	1.10	1.10	1.10
Wingold	1,000	.03	.03	.03
Wylie Dom.	3,800	.33	.30	.32
Wpg. R. Tin	11,500	.02½	.02	.02½
Wallace Lake	10,000	.02	.01	.01
Wendigo	500	.30	.27	.29

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope, c.	..	3¾
Federal Grain, com.	..	4
Home Investment	22	25
Northern Can. Mtge., pf.	3	.
North. Mtge., par paid	..	2
Northern Trust	8¾	..

*Stocks more active on other exchanges not included.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Aug. 24	20,300	47,700	547,000
Aug. 23	18,500	42,200	301,000
Aug. 21	8,500	50,500	195,000
Aug. 20	23,310	57,400	384,000
Aug. 19	22,400	128,290	513,000
Aug. 18	31,190	117,300	686,000

Municipal Bonds

August 24, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	111.00	113.00	4.14
Hamilton	5	1950	113.50	115.50	3.50
Montreal	5	1945	104.50	106.00	4.07
Ottawa	4½	1945	108.50	110.60	3.00
†Quebec	5	1959	102.00	104.00	4.70
Saint John	5	1950	106.50	108.00	4.21
†Toronto	4½	1955	111.50	113.50	3.47
†Vancouver	5	1950	91.00	95.00	5.58
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Listed Bonds

Week Ended Aug. 23

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	..	50½	50½

Unlisted Mines

Aug. 24, 1937

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Albany R.	.56	.58	Galatea	.02	.02½	Old Diamond	.04½	.05
Algoid	.36	.38	Garnet	.02½	.03½	Opem. Cop.	.12	.13
Altura	.16	..	Gate. Pat.	.05	.07	Oriole	.06½	.07½
Amm Gold	.23	.25	Gilbec	.02½	.02½	Ossian	.01½	.02½
Armistace	.14	.16	Gold Range	.01½	.02½	Pascalis	.30	.32
Arno	.02½	.03½	Goldside	.03½	.04	Porc. McN.	.03½	.04½
Athona	.17	.19	Gold Gat.	.53	.55	Porc. Un.	.06½	.07
Area	.04½	.05	Gordon Lebel	.09	.10	Plains Porc.	3.50	4.00
Augite	.18	.20	Gull Kirk.	.02	.02½	Porc. Gr.	.02	.02½
Ballor	.02½	.02½	Hud. Pat.	.03	.03½	Potterdoal	.02½	.03½
Bar Lar	.14	.15	Hislop	.06	.07	Porc. Tri.	.09	.10
Bathurst New	.01½	.02½	Horseshoe	.01½	.02½	Pontiac	.15	.16
Bilmac	.10½	.11½	Hutch. Lake	.14½	.15½	Pelangio	.11	.13
Baldwin	.02	.02½	Hugh Pam.	.08	.09	Propri'y	1.85	1.95
Bear	.36	.39	John. Nip.	.04	.05	Que. Man.	.67	.70
Big Master	.07½	.09	Kaw Crow	.06	.07	Rajah	.06½	.07½
Cuniptau	.05½	.06½	Kenecho	.12½	.14	Richmac	..	.25
Calder Bous.	.06	.07	Kenricia	.36	.41	Ribago O.	.04	.05
Cal. Fl Fl.	.03½	.04½	Kewgama	.43	.52	Ribago N.	.18½	.19½
Can. Pan.	.10½	.11½	King Kirk.	.02	.02½	Roeanor	.05	.07
Can. Kirk.	.02	.02½	Kir-Vit.	.12	.13	Rouyn Reward	.04½	.05½
Candal'a	..	.37	Kirk. Hun.	.03	.03½	Rubec	.03	.03½
Casey Con.	.01	.01½	Lake Rowan	.33	.38	Sand River	.25	.27
Chesterville	1.40	1.55	Lafayette	.02½	.03½	Schenango	.16	.17
Coin Lake	.05	.07	Lake Geneva	.71	.73	Skookum	.06½	.07½
Condor O.	.03½	.04½	Lamaque	6.75	7.25	Siscoe Ex.	.25	.27
Cont. Kirk.	.23	.25	Lardego	.04½	.05½	Smelters	.03	.03½
Cooke Lake	.25	.29	Magnet L.	.07	.08	Spooner	..	.16
Coulson	.07½	.08½	Magnet F.	.19	.21	Sturgeon River	.23	.25
Cres. Kir.	.05	.06	Malartic	.30	.32	Springer	.10	.12
Dawson White	.11	.12	Mart. McN.	.05½	.06	Straw Lake	.13	.15
Dempsey	.08	.10	Mart. Bird	.36	.38	Sun Bear	.20	.21
Denison	.39	.42	Margaret	.30	.32	Tonawanda	.04	.04½
Desantis N.	.32	.35	Maritime	.18	.19	Triple Lake	.33	.35
Doreva	.20	.22	Mata Cn.	.14	.15	Upper Can.	.23	.30
Delosha	.16½	.18½	Moffatt N.	.07	.07½	Wascana	.14	.15
Dunlop N.	.06	.07	McFarlane	.09½	.10	Williamson	.12	.13
El. Bon.	.12½	.13	McCarthy Webb	.23	.25	Wesley	.17	.18
Electra Porc.	.07	.08½	McVit.	.04	.04½	Westside	.07½	.03½
Eva Lake	.08½	.07½	Monarch	.07	.08	West Red L.	.03½	.04½
Elmos	.09	.11	Mooshla	.14	.15	White Horse	.12	.13
Faulkenham	.35	.39	Mosher	.23	.24	Wendigo	.20½	.22
Fernland	.22	.24	Norlake	.08	.09	Winoga	.07	.08
Fleming	.19	.21	North Shores	.03½	.03½	Weco	.24	.25
Franklin	.01½	.02	Oklend	.17	.18	Ypres C.	.13	.17
Frontier	.09	.11	O'Leary	.08½	.09½	Young D.	.19	.21

Government Bonds

Dominion of Canada Bonds

Aug. 25, 1937		Bid	Asked	Approx. Yld.
2	15 Nov. '39	101.50	102.00	1.13
2½	15 Oct. '39	102.50	103.00	1.15
4	15 Oct. '39	105.75	106.25	1.17
1½	1 June '40	100.25	100.75	1.23
4½	1 Sept. '40	108.10	108.60	1.63
1	15 Mar. '41	97.85	98.35	1.46
5	15 Nov. '41	111.00	111.50	2.15
3	15 Oct. '42	104.00	104.50	2.08
2½	1 June '43	101.25	101.75	2.18
5	15 Oct. '43	112.15	112.65	2.75
4½	15 Oct. '44	110.25	110.75	2.83
■2½	15 Aug. '45	99.25	99.75	▲2.53
4	15 Oct. '45	106.75	107.25	▲2.71
4½	1 Feb. '46	110.25	110.75	3.05
3¼	1 June '49	101.00	101.65	▲3.03
3½	15 Oct. '49	102.75	103.25	▲2.99
4	15 Oct. '52	106.25	106.75	▲3.23
3	1 June '55	96.85	97.35	3.19
4½	1 Nov. '56	109.75	110.25	▲3.14
4½	1 Nov. '57	109.75	110.25	▲3.33
4½	1 Nov. '58	110.25	110.75	▲3.36
4½	1 Nov. '59	110.50	111.00	▲3.41
■3¾	15 Jan. '61	99.50	100.00	▲3.25
3¾	1 June '66	98.50	99.00	3.30
■3	Perp. bds.	87.50	88.00	3.41
Dominion Guaranteed Bonds				
Canadian National Railway:				
3	1 May '44	101.75	102.75	2.55
3	15 Dec. '50	97.00	98.00	3.18
3	15 Feb. '53	95.75	96.75	3.40
*4½	1 Sept. '51	113.25	114.25	3.23
*4½	1 Feb. '56	113.50	114.50	3.43
†4½	1 July '57	112.75	113.75	3.53
*4¾	15 June '55	116.00	117.00	3.42
5	1 Feb. '54	116.25	117.25	3.60
*5	1 July '69	116.00	117.00	▲2.92
*5	1 Oct. '69	118.25	119.25	▲3.42
Provincial Government Bonds				
New Brunswick:				
4	1 Sept. '54	100.50	102.00	3.83
†4½	15 Apr. '61	104.50	105.50	4.12
†5	15 Jan. '60	107.50	109.50	4.33
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.20
4½	15 May '43	106.50	107.50	3.08
†4½	15 Sept. '52	108.25	109.25	▲3.40
†5	1 Mar. '60	115.50	117.00	3.87
Ontario:				
3	1 Dec. '51	96.00	97.00	3.26
*4	1 June '62	106.00	107.50	3.55
4½	1 June '50	110.25	111.25	3.42
*4½	15 Jan. '62	114.50	116.50	3.50
5	15 Oct. '48	114.00	115.00	3.41
*5	2 Dec. '60	119.50	121.00	3.66
5½	1 July '46	115.75	116.75	3.33
Ont. Hydro Comm.‡				
3½	1 Apr. '47	102.25	103.25	3.12
4¾	1 Jan. '70	116.50	117.50	3.81
Prince Edward Island:				
3	1 Oct. '45	97.00	98.00	3.28
Quebec:				
4	15 Mar. '52	105.00	106.25	3.46
4¼	1 Aug. '58	108.75	109.75	3.58
4½	2 Jan. '63	110.50	112.00	3.77
Alberta:				
4	15 Dec. '54	53.00	55.00	§
†4	1 Dec. '57	53.00	55.00	§
4½	1 Oct. '51	68.00	71.00	§
†4½	1 Oct. '56	56.00	58.00	§
†5	1 Jan. '48	58.00	60.00	§
5	1 Sept. '55	58.00	60.00	§
*5	1 Oct. '59	58.00	60.00	§
†5½	1 Jan. '47	60.00	62.00	§
6	1 Mar. '47	64.00	67.00	§
British Columbia:				
†4	1 Dec. '57	91.00	92.50	4.57
*4½	15 Jan. '51	96.00	98.00	4.70
†4½	1 Oct. '53	95.75	96.50	4.81
†5	15 Jan. '48	100.00	101.00	4.87
5	1 Sept. '53	100.00	101.00	4.91
5½	1 Feb. '45	101.50	102.50	5.09
6	15 Feb. '47	104.00	105.00	5.32
Manitoba:				
4	2 Jan. '50	80.00	82.00	6.07
†4	1 Dec. '57	80.00	82.00	5.47
†4½	15 Dec. '56	82.00	84.00	5.89
†5	15 June '54	89.00	92.00	5.74
*5	2 Dec. '59	89.00	92.00	5.63
5½	1 Oct. '55	92.00	94.00	6.04
6	1 Apr. '47	95.50	97.00	6.41
Saskatchewan:				
4	15 Aug. '53	66.50	68.50	7.31
4	1 Nov. '60	65.00	67.00	6.85
*4½	2 July '45	74.00	77.00	8.52
†4½	1 Oct. '51	77.25	79.00	6.80
†4½	15 Mar. '60	69.00	72.00	6.95
5	1 Aug. '58	72.00	75.00	7.35
†5½	15 Nov. '46	79.00	82.00	8.32
5½	1 Oct. '52	78.00	81.00	7.60
6	15 Mar. '52	80.00	82.50	8.04

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass	30c	Sept. 1	Aug. 16
Do., bonus	30c	Sept. 1	Aug. 16
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium, pfd.	$1.50	Sept. 1	Aug. 14
Do., arrears	$4	Sept. 1	Aug. 14
Anglo-Candn. Tel.	12½c	Sept. 1	Aug. 14
Biltmore Hats, pfd.	$1.75	Sept. 15	Aug. 14
Borden Co.	.40	Sept. 1	Aug. 14
Bank of Montreal	$2	Sept. 1	July 31
Bk. of Toronto	$2.50	Sept. 1	Aug. 14
Bk. Can. Nationale	$2	Sept. 1	Aug. 14
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Barker's Bread, c.	8c	Sept. 1	Aug. 24
Bright, T. G.	7½c	Sept. 15	Aug. 31
Do., pref.	$1.50	Sept. 15	Aug. 31
Cap. Wire Cloth, pf.	*30c	Sept. 1	Aug. 30
Can. Nor. Pwr., pf.	$1.75	Oct. 15	Sept. 30
Do., com.	30c	Oct. 25	Sept. 30
Candn. Malartic	5c	Sept. 8	Aug. 28
Canada Cement	$1.25	Sept. 20	Aug. 31
Candn. Int. Inv. Tr.	$1.25	Sept. 1	Aug. 16
Can. Bk. of Com.	$2	Sept. 1	July 31
Cosmos Imp., pref.	$1.25	Oct. 15	Sept. 30
Canadian Oil, pref.	$2	Oct. 1	Sept. 20
Cariboo Gold	2½c	Oct. 1	Sept. 10
Corr P. Box, pf.	$1.75	Sept. 1	Aug. 16
Can. Wire & Co., p.‡	$6	Sept. 7	Aug. 20
Canada Vinegars	30c	Sept. 1	Aug. 18
Candn. Industries.	$1.75	Oct. 30	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Carnation Co., pf.	$1.25	Oct. 1	Sept. 20
Can. & Dom. Sugar	37½c	Sept. 1	Aug. 15
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Dom. Bank	$2.50	Oct. 1	Sept. 20
Dom. Tar & Chem., pfd.	$1.37½	Sept. 15	Aug. 25
Dom. Scot. Inv., pf.	50c	Sept. 1	Aug. 20
Dom. Ang. Inv., pf.	$1.25	Sept. 1	Aug. 14
Electrolux Corp.	40c	Sept. 15	Aug. 16
Do., extra	10c	Sept. 15	Aug. 16
Eng. Elec., A	62½c	Sept. 15	Aug. 31
Falconbridge	7½c	Sept. 30	Sept. 8
Ford Motor, A. B.	25c	Sept. 18	Aug. 28
Ham. Un. Theat., p.	$1.50	Sept. 30	Aug. 31
Hollinger Cons.	5c	Sept. 9	Aug. 26
Inter. Mining	15c	Sept. 20	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Lake Shore Mines	$1	Sept. 15	Sept. 1
Lava Cap Gold	5c	Sept. 30	Sept. 10
Laura Secord	75c	Sept. 1	Aug. 14
L. of Woods M., pf.	$1.75	Sept. 1	Aug. 14
Loblaw, A & B	25c	Sept. 1	Aug. 10
Mtl. Loan & Mtge.	50c	Sept. 1	Aug. 31
McColl-Fron., c.	10c	Sept. 15	Aug. 14
McIntyre-Porc.	50c	Sept. 1	Aug. 3
Monarch Knit., pf.	$1.75	Oct. 1	Sept. 15
Nat. Biscuit, pf.	$1.75	Aug. 31	Aug. 13
Nat. Biscuit, c.	40c	Oct. 15	Sept. 10
N. Meth. Ldry., pf.	$1.62½	Sept. 1	Aug. 24
Ont. Silknit, pf.	$1.75	Sept. 15	Aug. 31
Ogilvie Flour M., p.	$1.75	Sept. 10	Aug. 20
Pioneer Gold (B.C.)	10c	Oct. 1	Sept. 1
Photo Engravers	50c	Sept. 1	Aug. 14
Regent Knitting	40c	Sept. 1	Aug. 14
Remington-Rand	35c	Oct. 1	Sept. 10
Reno Gold	3c	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 1	July 31
Rolland Paper, pf.	$1.50	Sept. 1	Aug. 16
Sheep Creek G.	2c	Oct. 15	Sept. 30
Do., extra	1c	Oct. 15	Sept. 30
Second St'd. R'lties	1c	Sept. 1	Aug. 16
Sylvanite Gold	20c	Sept. 30	Aug. 16
Sigma Mines*	1c	Sept. 1	Aug. 2
Siscoe Gold M.	5c	Sept. 15	Aug. 31
Toronto Elev., pf.	66c	Sept. 7	Aug. 31
Union Gas	15c	Sept. 15	Aug. 20
Weston, Geo., c.	20c	Oct. 1	Sept. 15
Do., pref.	25c	Sept. 15	Aug. 20
Walker-G. & W.	50c	Sept. 15	Aug. 20
Do., pref.	25c	Sept. 15	Aug. 20
West. Koot. Pr., pf.	$1.75	Oct. 1	Sept. 22

*Initial. ‡On arrears.

Bank of Canada Weekly Statement

Balance Sheet

	Aug. 18 1937 $	Aug. 11 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	144,176,909	142,865,061
Rest fund	743,716	743,716
Depos.: Dominion	26,202,944	22,180,559
Banks	172,245,404	174,260,807
Other	824,137	837,837
Total deposits	199,272,485	197,279,203
All other liabs.	2,440,520	2,515,180
Total liabs.	356,733,630	353,503,159
Assets		
Reserve: Gold	179,507,300	179,476,508
Silver bullion	2,558,543	2,558,543
Res. in sterling and U. S.	23,889,428	22,146,104
Other curr.	985	1,161
Total reserve	205,955,256	204,182,316
Subsidiary coin	184,623	159,938
Investments:		
Dom. govt. short	41,884,010	40,607,272
Other Dom. govt.	93,877,701	94,438,319
Other secs.	11,002,027	9,995,067
Total invest.	146,763,738	145,040,658
Premises	719,783	637,065
All other assets	3,109,230	3,483,784
Total assets	356,733,630	353,503,161
Reserve ratio	59.96%	60.02%

Week in Wheat

Size of Russian Crop Still Worries Market

But Many Observers Believe Best Possible Yield and Export Now Fully Discounted — Price Improvement Anticipated

From Our Own Correspondent

WINNIPEG.—Speculation continues rife regarding the probable size of the Russian wheat crop and the exports to be expected from that country. The recent official estimate of 1,150 million bushels, claimed as a record, has previously been reached on more than one occasion. The feeling is growing that even with this big crop, Russia with its rapidly expanding population can spare little grain for export unless the need for accumulating foreign exchange should be very pressing.

In any case many market observers are coming to the opinion that full allowance has been made for any possible Russian development and that the maximum size of other European and United States crops has been discounted. If this is the case then it is believed that basic lows have been established and trends from now on may be upward.

Europe Cuts Down

Broomhall's estimate of total world wheat shipments this year has been reduced to below 500 million bushels. This is largely because of the severe restrictions Germany is placing on imports, in spite of her apparent need for large foreign supplies. Evidently Germany intends that her imports of grain from abroad shall be largely in the shape of corn. Any feeding of rye or wheat to livestock is rigorously forbidden, and a considerable use of corn flour in bread is planned. Whether Germany will be able to avoid much larger wheat imports later in the season is at yet uncertain.

France's wheat crop has now been estimated at the poor total of 220 million bushels, a quantity that would leave theoretical room for 60 or 80 million bushels of imports, granted reasonable freedom of trade and ability to pay for imports on a large scale. But French wheat consumption has been reduced during recent years, and may be still further reduced under present conditions.

Italy, too, although with a wheat crop above last year's, still has theoretical need of fairly large imports.

* * *

Russia Makes Offer

Some Russian wheat is being offered in Liverpool, at prices practically the same as those current for United States No. 2 hard winter. This suggests that the Russian authorities are using the latter as a guide in their offerings. While the idea of large Russian exports this year has had a depressing effect on the market during recent weeks, there is vagueness as to any possible totals.

Pacific Rates Skyrocketing

Unrest in Far East Plays Hob With B. C. Shipping

From Our Own Correspondent

VANCOUVER.—Unrest in the Far East continues to play hob with shipping in the north Pacific. The Japanese Government has commandeered a whole fleet of cargo carriers for emergency service, thus intensifying a tonnage situation already acute, and freight rates appear to be going higher.

Effect of the shipping situation cannot escape being noticed in the lumber and wheat movement out of Vancouver this year. Already, British buyers are showing a disposition to wait more favorable conditions before loading up with more lumber, and Alberta grain will probably use the eastward route to a greater extent because of increased transportation costs via the Pacific outlet.

British Columbia's waterborne exports of lumber are still ahead of last year's, but lumbermen do not anticipate that the present rate will continue, due almost entirely to the freight situation.

With an export of 86 million board feet during July, British Columbia so far this year has shipped 560 million feet, compared with 526 million feet for the first half of 1936, when an all-time record was made. But last month there was a slight falling off in orders from the United Kingdom, which has become the biggest single factor in the waterborne export business from this coast.

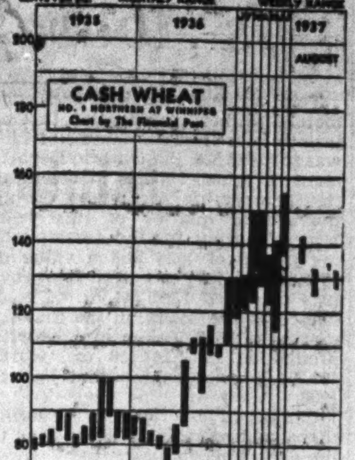
British Columbia continues to hold unquestioned leadership in the Pacific northwest as a lumber exporter. This province's mills handled more business than the mills of Washington and Oregon combined. Domestic trade, however, has slackened off.

National Light & Power Earnings Down Slightly

National Light & Power Co. had net earnings available for first mortgage bond interest of $118,269 in the seven months ended July 31, 1937, according to a statement supplied by McLeod, Young, Weir & Co. This was equal to 2.28 times interest requirements against 2.33 times in 1936.

The company's power output was 13,493,499 kw.h. in the first seven months of 1937 against 13,381,490 kw.h. a year earlier.

Wheat Prices



(Cash Quotations)

	For Week Aug. 24 High	Low	Prev. Week High	Low
1 Man. Hard	1.33½	1.28	1.37⅞	1.32⅞
1 Northern	1.33½	1.28	1.37⅞	1.32⅞
2 Northern	1.28½	1.20½	1.33⅜	1.28⅞
3 Northern	1.23¾	1.17½	1.29⅞	1.24⅞
4 Northern	1.18⅛	1.11	1.24⅞	1.20⅞
5 Wheat	1.10	1.05¾	1.14⅞	1.10⅞
6 Wheat	1.04½	.99¾	1.08⅞	1.04⅞
Feed Wheat	.88½	.83¾	.92⅞	.88⅞
Vancouver: Week to Aug. 23:				
1 Northern	1.28	1.20½	1.30⅜	1.27⅞

Competitive Export Prices:

August shipments:	Week to Aug. 23 High	Low
No. 1 North. (Atlan.)	1.52⅞	1.46⅛
No. 2 North. (Atlan.)	1.48¼	1.40⅛
Australian	1.31½	1.29⅛
Indian (new crop)	1.28⅜	1.24½
U. S. Hard Winters	1.33⅛	1.26
Argentine (Rosafe)*	1.26⅞	1.25¾
Rumanian	1.23	1.18¼
Russian†	1.30¾	1.26

*New crop, Jan.-Feb.
†Aug.-Sept.

Winnipeg Grain Futures

Week to Aug. 24, 1937

Crop year from Aug. 1, 1937 High	Low		Open Aug. 18	High for week	Low for week	Close Aug. 24
		Wheat				
1.32½	1.21	Oct.	1.28	1.29⅜	1.21	1.21⅜
1.29⅜	1.17⅝	Dec.	1.25	1.25⅜	1.17⅝	1.18¼
1.30¾	1.19⅜	May	1.28¼	1.28¾	1.19⅜	1.19¾
		Oats				
.49¾	.43¾	Oct.	.47⅞	.47⅞	.45½	.46¾
.46½	.40¼	Dec.	.44½	.44⅝	.43¼	.44⅛
.47¼	.42½	May	.45¼	.45¼	.43⅜	.44½
		Barley				
.62⅞	.54¾	Oct.	.57⅜	.57⅜	.54¾	.55⅜
.60¾	.54	Dec.	.55¾	.56⅛	.54	.54⅝
.58½	.55⅛	May	.57	.57	.55⅛	.55⅞
		Flax				
1.79	1.72¾	Oct.	1.75⅛	1.75⅛	1.72¾	1.73
1.77⅞	1.72	Dec.	1.75	1.75	1.72¼	1.73
1.81	1.75½	May	1.75½	1.77	1.75⅛	1.77
		Rye				
.94	.83	Oct.	.89⅛	.89¼	.83	.83⅜
.93	.80⅞	Dec.	.87½	.87¾	.80⅞	.81½
.92	.82	May	.87¾	.87¾	.82	.83⅜

Dunlop Tire Earnings Up

Operations of Dunlop Tire & Rubber Goods Co. so far in 1937 have been ahead of the corresponding period of 1936. Last year the company reported an operating loss of $19,662 before depreciation, but for 1937 they should be able to show an operating profit.

Fluctuations in the price of rubber this year have been quite wide, ranging from a low of 13 cents a pound to a high of about 27 cents and back down to the present price of around 18 cents. Each fluctuation of one cent in the price of rubber means approximately $50,000 to Dunlop Tire & Rubber Co. Other costs, such as labor, have also shown a tendency to increase.

Better earnings for the company have brought some attention to the preferred shares on which arrears were $38.50 a share at Dec. 31, 1936. An unusual feature of this stock is brought out on enquiry from the company.

In event of liquidation, dissolution or winding up of the company, holders of the 7% cumulative preferred are entitled to repayment of their capital before any distribution is made to holders of common shares. Arrears of dividends are not included in the preferred portion of any distribution. After holders of preferred shares have received $100 a share, the common shareholders would get $100. Any balance left after both classes of stock had received repayment of principal would be used to pay any accumulated arrears of preferred dividends.

Gold Price Attack Rapped

(Continued from page 9)

£3,500 millions at current prices. Moreover, the stock is being added to at a very rapid rate, the annual value of the gold now being produced being no less than £250 millions. If nothing is done to curb the rate of increase, the supply will soon reach an aggregate that will be far beyond what the nations will need for any kind of purpose.

Indeed, already, in order to prevent a great gold inflation of prices in the United States, the American Government has doubled the legal reserve required of American bankers and has sterilized a large amount of gold by storing it in vaults in the western states of America to be used for no sort of purpose whatsoever. Furthermore, several hundreds of millions of pounds sterling of gold are now hoarded in London, also unused and performing no function whatever.

Clearly such a situation cannot be allowed to continue. The greater part of the world is being denuded of the gold it requires for credit purposes while that gold, plus the immense new supplies from the mines is accumulating in the two great creditor nations where it is being rendered useless by government action. Steps must be taken to dispel that fear complex now so largely responsible for the remittance of funds to the United States and for the consequent vast accumulation of gold in that country. And these steps must include measures whereby much of the gold now in the United States and Great Britain can be redistributed to the banks of the entire world and so permit reasonable banking credit to be given in all countries, at the same time that it provides a safeguard against a renewed collapse of currencies. Such a step would not only benefit the debtor nations, but the creditor nations also, as it would lead to a general increase of buying power, which would enable the creditor nations, as well as the debtor nations, greatly to increase their income and their trade.

Present Policy Foolish

Continuance of the present policy of currency depreciation and instability in the creditor countries, coupled with gold hoarding, is not only unsound, but exceedingly foolish and injurious. Steps need to be taken with the least possible delay to restore and to stabilize the currencies of the creditor and of the debtor countries. Whatever value depreciation of the currencies may have had in the minds of its advocates in a time of low prices, it is evident that now prices have generally recovered, currency depreciation is no longer called for and that even the theory of the currency dollar which is designed to fluctuate in value with the fluctuations of commodity prices, demands a restoration of the currency.

To answer the question of "How far should the value of currencies be restored?" it is essential to ask a second question, and this is, "What is the reason for so much disorganization and difficulty at a time when the world's powers of production are so ample and when the physical machinery of distribution is so perfect?" There can be only one answer to this question, "lack of buying power," notwithstanding the unexampled power to produce and the existence of an unprecedented desire to buy. Then why should there be lack of buying power under such conditions?

Statesmen's Measures Hamper Trade

The answer to this further question is that in their efforts to promote trade, statesmen by their policies and industrialists and farmers in the pursuit of what they imagined to be their own interest have adopted measures that do not promote but which destroy buying power, do not create trade but hamper it and greatly reduce its volume and its value.

Currencies were depreciated for the most part to enable goods to be sold more cheaply in foreign markets in the hope of increasing exports, while foreign products were to be made dearer in the home markets. This process was expected to reduce real wages, salaries, interest, and other charges of a permanent character in the countries with depreciated currencies. Therefore, buying power, taking the world as a whole, was destroyed in much greater measure than it was increased, and the effect of the policy pursued was the exact opposite of what was needed.

In view of the world's great capacity to produce in these days, what is urgently needed is a rise in real wages and salaries. Just as currency depreciation reduced the real incomes of vast numbers of people, currency appreciation will restore these incomes and permit the world's products to find more buyers and better markets.

Cut in Gold Price Expedient

Inasmuch as experience was gained over nearly a century of the advantage of maintaining the price of fine gold at slightly under 85 shillings per ounce or at $20.67 American per ounce, and as a large percentage of the obligations of nations and of people still outstanding were incurred when these prices for gold were regarded as permanent, a return to gold at the old parities is not only advisable on grounds of equity, but also of expediency, having regard to the greatly increased buying power in all countries that would be created. Furthermore, such a procedure would largely eliminate the danger of excessive price inflation which cannot fail to result, from the immense stocks of gold both in the United States and in Great Britain as soon as confidence is restored and all the gold is made available for credit purposes.

It may be said that such a procedure would greatly increase the burden of debts by increasing the real income paid to the holders of fixed interest-bearing securities. But if the prices of commodities are raised above normal as they are likely to be with the return of confidence, in view of the world's vast and increasing stocks of gold, it would be merely a matter of equity to carry out contracts freely entered into before the panic conditions arose and when prices were much lower than they are likely to be in future.

The view that the holders of fixed interest paying securities are overpaid for the services rendered by them in supplying "cheap" capital may be dismissed as unsound. In proportion to the services rendered, the return upon fixed interest securities is too low rather than too high, for without the capital thus supplied the progress of any and of all nations would have been extremely slow and the vast growth of the world's productive power and income in the past century would have been impossible.

Gold Mines Have Had Harvest

It is true that the incomes of the producers of gold will greatly decline when currencies are restored and stabilized but these producers have had their harvest during the world's troubles since 1929, and more particularly since the depreciation of the pound in 1931 and the dollar in 1933. Moreover, so great an increase in the production of gold must inevitably lead sooner or later to a great fall in its real value.

If currencies are not restored, prices of commodities other than gold may rocket to an astronomical level and so reduce the profit hitherto obtained from producing gold, whereas if the currencies are restored the rise in prices will be much less excessive and dangerous and the profit of the gold mines may be maintained at a higher level than they would be were there to be an unlimited rise in prices.

A substantial, universal and progressive restoration of currencies is therefore essential having regard both to the present situation and to the probable situation in the years to come. The depreciation of currencies in the two great creditor countries, America and Great Britain, having been in the neighborhood of 40 per cent and the rise in the price of gold approximately 70 per cent, it is desirable as a first step to lower the depreciation of the currencies to approximately 20 per cent and to bring down the rise in the price of gold in comparison with normal to 25 per cent and in this way limit the rise in commodity prices when confidence is re-established and the world buying power is greatly increased to a reasonable level.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable.

Friday, the First Day of October next, to Shareholders of record at the close of business on the Fifteenth day of September, 1937.

By order of the Board.
Walter F. Watkins,
Secretary.

Toronto, August 18th, 1937.

George Weston Limited

Common Dividend No. 31

NOTICE IS HEREBY GIVEN that a dividend of Twenty cents per share has been declared on the common stock of this Company, payable on the 1st day of October, 1937, to shareholders of record at the close of business on the 15th day of September, 1937.

W. H. KEMP,
Assistant-Secretary.

Toronto, August 20th, 1937.

Reno Gold Mines Limited N.P.L.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Friday, the 10th day of September, 1937, and that the dividend will be payable on or after the 1st day of October, 1937.

The Register of Transfers will be closed at the close of business on the 10th day of September, 1937, until the opening of business on the 20th day of September, 1937.

By Order of the Board,
W. A. SUTTON,
Secretary-Treasurer.

Vancouver, B.C., August 14th, 1937.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 39

NOTICE is hereby given that a dividend for the quarter ending August 31st, 1937, at the rate of 6½% per annum, will be paid on September 15th, 1937, to all preference shareholders at record at the close of business on August 31st, 1937.

By order of the Board,
A. W. GIBB. Secretary.

Winnipeg, August 15th, 1937.

DIVIDEND NOTICE

English Electric Company of Canada Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of sixty-two and one-half cents (62½c) per share on the outstanding Class "A" shares of the Company, payable September 15th, 1937, to shareholders of record at the close of business on August 31st, 1937.

AUBREY MUNDY,
Secretary.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 202

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT
General Manager.

Toronto, 22nd July, 1937.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of thirty-seven and a half cents (37½c.) per share, on account of arrears on the Class "A" shares of the Company, payable October 1st, 1937, to shareholders of record September 15th, 1937.

By Order of the Board,
J. P. Berney,
Secretary.

Toronto, August 23rd, 1937.

THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of October, 1937, to shareholders of record of the 20th September, 1937.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 12th August, 1937.

BANQUE CANADIENNE NATIONALE

DIVIDEND NOTICE

Notice is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1937. This dividend, bearing the number 186, will be payable at the Main office or at the branches of the Bank, on or after the first day of September, 1937, to the shareholders of record on August 14, 1937.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 6

Notice is hereby given that a Quarterly Dividend of two cents per share and an Extra Dividend of one cent per share have been declared on the paid-up Capital Stock of the Company, payable on the 15th day of October, 1937, to shareholders of record at the close of business on the 30th day of September, 1937.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company, Limited, at their office, 614 Pender Street W., Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 30th September next.

By Order of the Board.
James Anderson,
Secretary.

Vancouver, B.C.,
August 18th, 1937.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 296

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 9th day of September, 1937, to shareholders of record at the close of business on the 26th day of August, 1937.

Dated the 19th day of August, 1937.
I. McIVOR,
Assistant-Treasurer.

NATIONAL ELEVATOR CO., LTD.
WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKEHEAD SHIPMENTS FOR EASTERN TRADE
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

DEPENDABLE
THE ALBERTA PACIFIC GRAIN Co. Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

POSSIBILITIES IN THE WEST

"The outlook for the future of the West is, of course, bright as ever. The probabilities of drought again occurring simultaneously in the fertile area, in the semi-arid area and in the arid area* in one and the same year, it would seem, are very remote, and so are not likely to occur again in the near future.

Actual records from rainfall gauges for some 50 to 60 years, and records of observations back to 1690, seem to show that the semi-arid part of the Prairie Provinces ever has been subjected to a series of dry years, succeeded in turn by a series of wet years; that they do not come about in any predictable cycle, but the wet years and dry years somehow appear to hang together and that most certainly just as surely as wet years are succeeded by dry years, so ever have dry years been succeeded by wet years."

*We will be pleased to supply further information on the locations and sizes of these three areas upon request.

SEARLE GRAIN COMPANY LIMITED
WINNIPEG SASKATOON CALGARY EDMONTON
VANCOUVER

Drummond St. Realty Earns 8% on Bonds

Annual report of Drummond Street Realty Corp., Montreal, for the year ended April 30, 1937, gives effect to the reorganization carried out this year. Income of $117,144 for the year ended April 30, 1937, compares with $106,428 for the preceding year.

Profit and Loss Account Year Ended Apr. 30

	1937 $
Income	117,144
Less: Admin. & upkeep exps.	66,034
Mortgage interest	18,231
Interest on taxes	2,122
Bad debts reserve	1,200
Net profit for period	29,567
Add: Balance at Apr. 30/36	56
Available for interest	29,623

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Owners and Operators Country Elevators and Terminals
Exporters and Shippers
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Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
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THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
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JAMES RICHARDSON & SONS Limited

Week in Mining

Counting the Costs Of Paish Gold Plan

Canadian Mining Industry Banking on Continuance of Present Price in Discounting the Future — Chibougamau Stock Reactions

Canadian gold mining markets are acting on the assumption that the gold problem is not as acute today as it was a month or two ago. In so believing, they have the evidence of a definite slowing up in the gold-inflow in United States; the tendency to distribute some of the United States reserves among other nations, as for example, China and Brazil, and the reiterated assertion of Great Britain and United States that a reduction in the price of gold will be the last resort used.

This does not mean that the gold problem has by any means been solved. It is a safe guess that nobody, not even those in charge of the monetary machinery of the world, knows the answer to the gold problem. Great Britain and United States are, accordingly, postponing action in the hope that time will provide its own answer. This attitude is perhaps Great Britain's most characteristic national policy, and it must be admitted that it has stood her in good stead in the past, even though commentators in more aggressive countries refer to it as "bumbling."

In view, then, of the transitory nature of the present scene, it is hard to subscribe to Sir George Paish's view as expressed elsewhere in this issue, that the most expedient way out is to reduce the price of gold, starting with an initial reduction to about $26 per ounce. Has Sir George, in his article, dealt with all the repercussions which such a step would have There are a great many more beside the increased burden of debt referred to by him.

It should be pointed out that in the mining market, as in mining itself, one cannot adopt the "day-to-day" policy attributed above to the nations of the world. In mining, long term policies must be put into effect, based on what the price of gold will be tomorrow, a year, five years from today. A large proportion of the values pertaining in the market are based on expectations for the future.

The Canadian mining industry, for want of concrete evidence to the contrary, seems to be taking a reasonable stand in banking on a continuance of the present price level for the immediate future.

Chibougamau Shock

Announcement on Aug. 18 through a letter to the Montreal Curb Market that the McKenzie property of Conolidated Chibougamau Goldfields is to be closed down by freeze-up resulted in collapse of the company's shares. The transactions in Montreal and Toronto on Aug. 17 and 18 are summarized below:

Trading in Cons. Chibougamau Shares

	—Aug. 17— Volume shs.	Close $	—Aug. 18— Volume shs.	Close $
Montreal	210	1.00	64,270	.60
Toronto	14,450	.92	161,510	.59

Officials of Consolidated Chibougamau Goldfields Ltd. should have known that such an important announcement would have a disastrous effect on stock market quotations. It should have been equally plain that with the shares listed on both Montreal and Toronto markets there was a duty to convey the announcement to both places promptly. The comparatively slow method of announcement by letter should have been preceded by telegraphic statements to both exchanges.

While no one can censure the failure of an honest effort to make a mine, officials of Consolidated Chibougamau cannot escape responsibility for failure to make the announcement simultaneously in both cities.

* * *

Base Metal Outlook

While the world production of copper, lead, tin and spelter is rising and output expanding all round, stocks are not increasing to any marked extent, says The Investors' Chronicle (London) in discussing the outlook for base metals. The immediate outlook for all four metals depends really on the attitude of consumers, the paper says. If manufacturers decide to raise their own metal stocks and start to purchase in advance of their immediate needs, nothing in the present state of the market could prevent another sharp rise in metal prices.

The Investors' Chronicle concludes that there never was danger of a metal shortage. There is only a possibility that stocks will not be adequate to meet a temporary inflated demand. Supplies will expand, but the rise will be steady rather than spectacular, and it must be remembered that an all-round 25% increase in stocks is urgently required.

* * *

Mining Stock Prices

General activity and increasing prices in the gold issues received credit for the continued advance in mining stocks for the first part of the week ending Aug. 19, reports the Dominion Bureau of Statistics. Index moved upward from 113.1 for Aug. 12 to 115.4 for Aug. 16, but following Chibougamau's drop and somewhat easier market conditions the gold index was depressed to 113.9 on the final day. This index still registered a net gain of 0.8 points over the comparable day of the preceding week.

The base metals index dropped from 294.7, to 282.1, reflecting pronounced unsettlement. Weekly average for 24 mines rose from 146.5 to 148.4 between the weeks ended Aug. 12 and 19, golds climbing from 110.7 to 114.6, while base metals declined from 296.1 to 287.7.

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Asbestos Find To Be Probed

Rice Lake Discovery is Attracting Interest in Manitoba

From Our Own Correspondent

WINNIPEG.—Discovery of what appears to be a large body of asbestos in the Rice Lake area of Manitoba is attracting considerable interest. The discovery is within two miles of the east shore of Lake Winnipeg, about a mile north of the Hole River.

As nearly as can be determined, by reason of heavy overburden, the deposit roughly is 1,500 ft. wide and more than a mile long. A larger crew under the direction of J. J. Papineau, the discoverer, is leaving next week and some further trenching and stripping will be undertaken. It is proposed to do some drilling to get an idea of continuity of the body at depth. Should it continue downward for even 250 ft., tonnage, it is said, will be large.

Samples brought into Winnipeg are practically all No. 1 and No. 2 asbestos, together with spinning fibre. No detailed analysis of accompanying ores has been made, but the possibility of important by-products is not being overlooked.

An interesting feature of the discovery is that while this general section has been closely prospected for years, the ground on which the discovery was made has never been staked. The property is vested in the Apex Molybdenite Syndicate, trustees of which have already visited it and are now planning a development campaign. Transportation offers no difficulties, and any production plant would probably be located in Winnipeg with ample low-cost power facilities available.

Bob Tough Gold To Resume Work

From Our Own Correspondent

SUDBURY. — Bob Tough Gold Mines in McKinnon township, east of Massey, and located a short distance west of the West River field, will resume operations shortly, it is announced, following a meeting of the company directors held at the mine recently. After the meeting it was stated that finances for six months operation have been arranged.

Operating Profit Up For Beattie Gold Mines

Operating profit of Beattie Gold Mines for the first six months of 1937 amounted to $410,761, as compared with $396,576 for the corresponding period of 1936, the company reports. These figures do not include allowance for taxes or depreciation.

During the first half of 1937 operations were adversely affected by a slide of accumulated stripping into the glory hole. This occurred in June, but normal operations continued thereafter. It is expected that Beattie's roasting plant will be working in October and should reduce marketing costs considerably.

It is not anticipated that the daily milling rate will exceed 1,800 tons.

Montreal Curb Lists Okalta Oils Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has listed 1.8 million shares of Okalta Oils common stock. Of this number 112,650 shares are held in trust.

The outstanding capital of the company also includes 4,500 redeemable preference shares of a par value of $60 each.

Chibmac Mines Plans Drilling Operations

MONTREAL.—Directors of Chibmac Mines have decided to commence drilling operations. A contract to that end is being arranged to start by Sept. 1. A series of shallow bores is planned to probe the large sheer zone and 150 to 200 feet below the surface showing.

Ontario Mine Output Is Above 1936 Figure

Total value of metallic and non-metallic mineral production in Ontario for the first six months of 1937 was $116,688,526, the Ontario Department of Mines reports in releasing figures covering production during the second quarter of this year. Mineral output for the corresponding period of 1936 had a value of $87,427,140. Gold mines of this province produced 1,266,744 oz. of gold, valued at $26,185,899, in the first six months of 1937. This compares with production of 1,147,198 oz., worth $23,714,648, during the first half of 1936.

Comparative figures covering those gold mines making returns to the department follow:

Porcupine Camp

	2nd qu.	1st qu.
VIPOND (Anglo-Huronian)		
Total recovery ......$	111,055	142,065
Tons milled	16,454	25,318
Recovery per ton ....$	6.75	5.61
Tons daily	180.8	281.3
BUFFALO-ANKERITE		
Total recovery ......$	665,696	646,315
Tons milled	83,141	79,285
Recovery per ton ....$	8.01	8.12
Tons daily	913.6	880.9
CONIAURUM		
Total recovery ......$	353,119	340,320
Tons milled	50,305	39,720
Recovery per ton ....$	7.02	8.57
Tons daily	552.8	441.3
DOME		
Total recovery ......$	1,858,672	1,901,613
Tons milled	146,200	140,800
Recovery per ton ....$	12.71	13.51
Tons daily	1,606.6	1,564.4
GILLIES LAKE-PORCUPINE		
Total recovery ......$	30,433	75,395
Tons milled	5,465	4,861
Recovery per ton ....$	5.56	15.51
Tons daily	60.5	54
HOLLINGER		
Total recovery ......$	3,682,539	3,602,948
Tons milled	420,099	429,745
Recovery per ton ....$	8.77	8.38
Tons daily	4,616.5	4,774.9
HOLLINGER (HISLOP)		
Total recovery ......$	81,522	75,137
Tons milled	7,742	7,506
Recovery per ton ....$	10.52	10.01
Tons daily	85	83
McINTYRE PORCUPINE		
Total recovery ......$	1,986,638	2,089,186
Tons milled	217,400	214,200
Recovery per ton ....$	9.14	9.75
Tons daily	2,389.0	2,380
PAMOUR PORCUPINE		
Total recovery ......$	490,718	421,434
Tons milled	67,433	63,629
Recovery per ton ....$	7.28	6.62
Tons daily	741	706.9
PAYMASTER		
Total recovery ......$	314,491	292,667
Tons milled	40,695	40,288
Recovery per ton ....$	7.73	7.26
Tons daily	447.1	447.6

Kirkland Lake Camp

	2nd qu.	1st qu.
BIDGOOD KIRKLAND		
Total recovery ......$	99,183	108,108
Tons milled	10,915	9,700
Recovery per ton ....$	9.09	11.15
Tons daily	119.9	107.8
KIRKLAND LAKE GOLD		
Total recovery ......$	306,339	276,319
Tons milled	20,486	20,671
Recovery per ton ....$	14.95	13.37
Tons daily	225.1	229.7
LAKE SHORE		
Total recovery ......$	3,996,820	4,101,746
Tons milled	226,522	215,231
Recovery per ton ....$	17.64	19.06
Tons daily	2,489.2	2,391.4
MACASSA		
Total recovery ......$	358,784	314,693
Tons milled	23,149	19,144
Recovery per ton ....$	15.50	16.44
Tons daily	254.3	212.7
OMEGA		
Total recovery ......$	155,963	173,297
Tons milled	35,117	36,097
Recovery per ton ....$	4.44	4.80
Tons daily	385.9	401.1
SYLVANITE		
Total recovery ......$	552,356	554,763
Tons milled	43,016	42,784
Recovery per ton ....$	12.84	12.97
Tons daily	472.7	475.4
TECK-HUGHES		
Total recovery ......$	1,155,399	1,086,242
Tons milled	103,859	91,235
Recovery per ton ....$	11.12	11.91
Tons daily	1,141.3	1,013.7
TOBURN		
Total recovery ......$	233,785	212,122
Tons milled	8,670	8,700
Recovery per ton ....$	26.96	24.38
Tons daily	95.2	93.7
WRIGHT HARGREAVES		
Total recovery ......$	1,942,929	1,854,435
Tons milled	108,840	107,150
Recovery per ton ....$	17.85	17.31
Tons daily	1,196	1,190.6

Matachewan

	2nd qu.	1st qu.
MATACHEWAN CONSOL.		
Total recovery ......$	178,103	151,774
Tons milled	33,029	26,529
Recovery per ton ....$	5.39	5.72
Tons daily	362.9	294.8
YOUNG DAVIDSON		
Total recovery ......$	280,617	248,986
Tons milled	83,598	82,814
Recovery per ton ....$	3.36	3.01
Tons daily	913.6	920.2

Algoma

	2nd qu.	1st qu.
DARWIN		
Total recovery ......$	76,313	65,102
Tons milled	4,095	3,997
Recovery per ton ....$	18.63	16.36
Tons daily	45	44
MINTO		
Total recovery ......$	19,431	15,894
Tons milled	5,976	9,599
Recovery per ton ....$	3.25	1.66
Tons daily	65.6	106.7
PARKHILL		
Total recovery ......$	50,837	73,483
Tons milled	6,609	6,469
Recovery per ton ....$	7.69	11.36
Tons daily	73.4	71.9
LEITCH		
Total recovery ......$	143,026	42,349
Tons milled	5,697	4,711
Recovery per ton ....$	25.11	8.98
Tons daily	62.6	52.3

Thunder Bay

	2nd qu.	1st qu.
LITTLE LONG LAC		
Total recovery ......$	391,351	427,705
Tons milled	24,845	22,370
Recovery per ton ....$	15.75	19.12
Tons daily	273.0	248.6
NORTHERN EMPIRE		
Total recovery ......$	183,536	165,264
Tons milled	16,353	15,625
Recovery per ton ....$	11.34	10.57
Tons daily	179.7	173

Kenora & Rainy River

	2nd qu.	1st qu.
WENDIGO		
Total recovery ......$	56,281	39,658
Tons milled	5,116	4,304
Recovery per ton ....$	11.01	9.21
Tons daily	56.2	47.8

Patricia

	2nd qu.	1st qu.
ARGOSY		
Total recovery ......$	99,445	75,133
Tons milled	7,138	4,637
Recovery per ton ....$	13.93	16.20
Tons daily	78.4	51.5
CENTRAL PATRICIA		
Total recovery ......$	359,993	322,016
Tons milled	19,773	18,124
Recovery per ton ....$	18.21	17.77
Tons daily	217.3	201.4
HOWEY GOLD		
Total recovery ......$	270,401	291,542
Tons milled	89,869	132,423
Recovery per ton ....$	3.01	2.20
Tons daily	987.5	1,471.4
McKENZIE RED LAKE		
Total recovery ......$	199,289	226,022
Tons milled	14,641	13,832
Recovery per ton ....$	13.61	16.34
Tons daily	160.9	153.7
PICKLE CROW		
Total recovery ......$	564,009	408,946
Tons milled	26,131	14,966
Recovery per ton ....$	21.58	27.33
Tons daily	287.1	166.3
RED LAKE GOLD SHORE		
Total recovery ......$	114,017	133,893
Tons milled	13,195	13,196
Recovery per ton ....$	8.64	10.15
Tons daily	145.0	146.6

Oil Marketing Faces Alberta

Solution of Distribution Problem May Lie in Opening New Fields

From Our Own Correspondent

CALGARY.—Turner Valley oil men are concerned over the marketing situation facing them next year. Turner Valley is now supplying Alberta, parts of western Saskatchewan and eastern British Columbia with crude oil, cutting down crude imports from Montana very considerably. The bringing in of additional wells tends to extend the Valley marketing area farther and farther east.

Freight rates will become a matter as important to oil producing companies as it now is to Alberta coal operators. Turner Valley's monthly production now approximates 200,000 bbls. of oil, mainly crude. About 25 wells are due for completion in the Valley's crude oil area before the end of the year.

It is considered unlikely that any company or merger of companies would undertake the building of a pipe line from Calgary to Regina, Winnipeg or Vancouver while only one oil field, no matter how large, was producing in Alberta. Turner Valley is at present the only producing field, though its boundaries may be extended greatly before long.

New Areas Proved

Operators here are watching with keen interest the progress of some 15 wells testing wildcat areas in Alberta. Any one or even all of these wells may prove up fields as productive as Turner Valley. Plains Petroleum No. 1, which came in with a flow of about 100 bbls. of crude daily at shallow depth, proved that the Taber field, near Lethbridge, contained crude oil. Plains Pete No. 1 closed down due to water intrusion, but the company is drilling two wells now and will take great care, as the productive sands are reached, to prevent a duplication of the water troubles at No. 1 well.

More important in many ways than the Taber strike was that made at Moose Dome, about 40 miles southwest of Calgary, by Moose Oils No. 2, which, at the shallow depth of 1,553 ft, and with a hole 16 inches in diameter, struck crude which was bailed from the well at the rate of 100 bbls. daily, making it a commercial proposition. Confident that the well can be made a flowing crude producer, officials intend to lower small diameter tubing in the large hole to take full advantage of the gas pressure.

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Royalty Return 270 Per Cent

Total revenue of $4,164 from an investment of $1,500 for a 1% royalty in Turner Valley Royalties' crude discovery well was the handsome profit accruing to holders between June 16, 1936, when the well blew in, and July 31, 1937. The return for last July of $554 on a 1% royalty set a new high record for any one month

The well is now producing about 1,000 barrels of crude daily, as is the B. & B. well, second large crude well to come into production in Turner Valley.

Mining Options

Preston East Dome—10,000 shares treasury stock sold at $2 per share, option given on remaining 240,000 shares at $2 until Oct. 12, 1937.

Gold Eagle Gold—503,250 shares released from pool.

Nordon Corporation—Authorized by the Toronto Stock Exchange to list 2,500,000 new shares of $1 par value as against the old $5 par value shares. Issued capital of the new shares is 2,316,614, leaving in the treasury 183,386 shares.

Thompson Cadillac Mining Corp.—15,000 shares at 45 cents per share taken up under terms of the option agreement expiring Oct. 1, 1937. Total of 3,173,000 shares now outstanding, and 375,000 shares remain under option.

Normetal Mining Corp. — Additional 75,000 shares taken up at 75 cents under the underwriting agreement dated Feb. 3, 1937. Balance of agreement covers 416,894 shares at 75 cents. Now 3,338,118 shares outstanding out of authorized capitalization of 4,000,000.

Naybob Gold Mines—An extension until Aug. 17 has been granted with respect to payment of Aug. 10 installment of $10,500, covering purchase price of 25,000 shares at 42 cents per share under underwriting agreement June 16, 1937.

Gillies Lake—Aug. 1 installment under underwriting and option agreement dated June 3, 1937, has not been made. Negotiations are proceeding.

Anaconda Oil Reports Working Capital Gain

Anacanda-Steveville No. 1 well is now down over 605 ft., A. J. Scott, managing director and secretary, says, in presenting the annual report of Anaconda Oil for the year ended May 31.

Working Capital

	1937 $	[illegible]
Current assets	36,564	[illegible]
Current liabilities	8,824	[illegible]
Working capital	27,740	[illegible]

*Excess of current liabilities over current assets.

Revenue and Expenditure Account
Years Ended May 31

	1937 $	[illegible]
Rev.: Anaconda No. 1 well	1,583	[illegible]
Anaconda No. 2 well	1,225	[illegible]
Anaconda Spooner No. 5	1,298	[illegible]
Interest	1	......
Reimburs. of agree. costs	200	......
	4,309	[illegible]
Less: Office salaries ..	3,045	[illegible]
Taxes	322	[illegible]
Expenses*	3,537	[illegible]
Interest	......	[illegible]
Trustee and transfer fees	434	[illegible]
Prov. for inc. tax .	......	[illegible]
Lease rentals pd. in cash	791	[illegible]
Audit fees	324	[illegible]
Directors' fees	490	[illegible]
Deprec., office equip.	22	[illegible]
Depletion, 25% of revenue	......	[illegible]
Insurance	94	[illegible]
Adjust., gas sales ..	......	[illegible]
Bad debts reserve .	......	[illegible]
Profit for period	**4,850	[illegible]
Add: Prev. surplus ...	2,545	[illegible]
Trust. fees reversed	10	......
Less: Addit. inc. tax .	221	......
Supp. letters patent	1,187	......
Surplus forward	**2,703	[illegible]

*Including legal, office, travelling, miscellaneous, well inspection, printing, etc., annual meeting, stock exchange fees.

**Loss or deficit.

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Engineer Tends to Credit Soviet Gold Output Claims

Some weeks ago The Financial Post commented on an article by Arthur Notman, eminent New York engineer and geologist, on the important matter of gold production. Mr. Notman, readers will recall, in an article published in the U. S., pointed out the inconceivable nature of Russia's claims to gold production, and showed that it would be impossible to construct equipment, whether for placer or lode mining, sufficient to cope with such a suddenly increased production, reported to be 7,350,000 ozs. in 1936.

In a letter to The Financial Post, a prominent Canadian mining engineer, who has spent much time in accumulating data on the Russian gold industry, points out, however, that the figures quoted for 1936 are the result of yearly increases since 1932, and these results have not been attained all of a sudden.

This engineer agrees, of course, that the Soviet gold production could not have been obtained from lode mines. Mines like Lake Shore and Hollinger take years to develop, even after they have been discovered. Placer mining is the only means of ready and rapid production. Just what can be accomplished from such gravels by way of quick production was demonstrated in California in the period between 1848 and 1858 about 2,775,000 ounces annually were obtained from just the one area.

The idea of this gold having been obtained from hoards is dismissed by this commentator. He points out that it is now some 19 years since the close of the war, and it hardly stands to reason that Russia should still be drawing from accumulated stocks of gold.

No Spanish Gold

As to the suggestion seriously made by a Toronto paper that the gold shipped by Russia originated in Spain, The Post correspondent has the following to say: "This suggestion may be an example of the use of resources which are not existent. But the Communistic bogey has been pulled so often since the days of the Zinoviev letters that one is reasonably justified in asking for more information before swallowing the capitalistic pill, which may not be an opiate, but is usually well sugared. The pill is easily taken in Toronto."

Whether or not Russia is really producing the quantity of gold claimed by her, depends on whether or not she has installed the dredging equipment necessary, an accomplishment which Mr. Notman, quoting impressive yardage figures, doubts. The Post correspondent, admitting the fairness of Mr. Notman's point, is nevertheless inclined to believe that Russia has made almost unbelievable strides in this direction.

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Canada Northern Power Reduces Rates to Mines

From Our Own Correspondent

MONTREAL. — Effective January 1 next year, Canada Northern Power Corp. will reduce its rates to power customers, resulting in a saving of $275,000 a year to its mining customers.

The company, through its subsidiaries, serves the mining fields of northern Ontario and Quebec.

DEATH STALKS OUR HIGHWAYS!

If every human life in a village of 800 people in the Province of Ontario were snuffed out in one day, newspapers throughout the entire world would carry the story of the ghastly tragedy.

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That is precisely what is going on in Ontario this year. Nearly 800 people will be killed on our highways. Nearly 14,000 will be injured—many of them crippled; many of them suffering almost unbearable pain. Death and untold suffering stalk our highways and *this must stop!*

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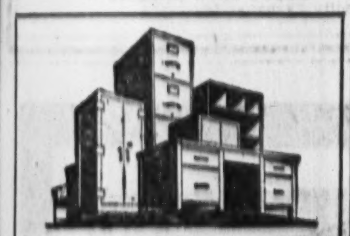

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Mining Men, Economists United in Opposition To Cut in Gold Price

(Continued from page 9

the confidence that was being gradually restored and which to a greater degree than most people suspect is necessary for the rebuilding of not only internal trade, but international trade."

H. S. Denny Sees Chaos

H. S. Denny, well-known Canadian mining engineer, sees in the proposal an able presentation of the views of bankers and a complete disregard for the producer. He writes:

"The world already has taken advantage of the new credits obtained from the increase of the price of gold and further industrial progress is based on this expansion of credit. To cut it out now must mean widespread disaster.

"Sir George is apparently and very naively asking the monetary world to commit suicide and seems strangely oblivious of and indifferent to the possibility that he and the interests which he represents might be engulfed in a most unpleasant catastrophe."

Concerted Action Needed

Pointing out that the rise in the price of gold has come, not as the result of single concerted action, but as a response to voluntary depreciation of currencies, Courtland Elliott, economist of A. E. Ames & Co. says:

"It is inconceivable that the suggestion of Sir George Paish that the price of gold should be reduced should contemplate retracement of the successive steps by which depreciation has been achieved. Isolated or unilateral action to reduce the price of gold would revive foreign exchange fluctuations with all the instability and uncertainties that they imply. It is not inconceivable, however, although hardly likely, that at some future time international action can achieve a reduction in the price of gold without disturbing foreign exchange parities.

"Sir George's objective of a reduction in the price of gold is to be desired but not for the reasons he states. It is not because of inequities in the fulfillment of contracts nor yet because of the potential threat of inflation that a price change should be contemplated.

"The plain fact is that the price rise of gold has been stimulating the production of a commodity which, apart from its use in the industrial arts, has been almost imperceptibly losing the one significant purpose which justified its existence, viz., its use as money or as a reserve for the issue of money. Time alone will show whether the present price of gold can be indefinitely supported by the purchases of a relatively few nations or by measures that might be designed to restore its former monetary importance. If all economic and political conditions were favorable, international action to reduce the price of gold, thereby curtailing its production, would be expedient, but the fact remains that few of the necessary conditions are present and isolated action by any one nation would have disturbing consequences, perhaps more grave than the spectacle of mounting supplies of a commodity suffering from diminishing importance.

Financial Editor's Views

Wellington Jeffers, financial editor of The Globe and Mail, writes:

"The purchasing power of every dollar would obviously be greatly increased if Sir George Paish's plan were followed of reducing the price per ounce from $35 to $25.84 as a first step and later to $20.67. But the purchasing power of most people would be considerably curtailed as a result of the loss of confidence and dropping of earnings and profits always attending falling prices for stocks and commodities. What England suffered in the 20's trying to get back to the price for gold which is Sir George Paish's ideal shows what can be lost in trade and employment and few believe today that the road back could be travelled without loss to all but holders of first grade gilt-edge bonds and people with fixed income generally.

"It is too heavy a task Sir George Paish would set the world. The best policy, it seems to me, is to keep to the narrow channel between the Scylla of deflation and the Charybdis of inflation.

"By the Tripartite pact the United Kingdom, the United States and France are feeling their way inch by inch through the manifold troubles of the time. Exchange has been more stable, international trade has been growing and business of the world is gradually speeding up to a point where it may use the credit facilities which $35 gold can finally put at their disposal for constructive purposes.

"In other words, our internationally managed currencies of the day are doing on the whole a good job. The force of events and the courses of trade and prices will eventually show these managers, who are on the job every hour of every working day, whether or not the price of gold should change. All signs now are set at 'Don't change.'"

Economic Lunacy—Hammell

John E. Hammell, long connected with the production side of the gold industry, vigorously expresses his views as follows:

Going back to The Financial Post of Aug. 14, there appears an article by Sir George Paish entitled 'The Way Out.' In your introduction of Sir George you set forth that he achieved world renown when in 1928 he forecast the complete collapse of world prosperity and the most severe financial and trade crisis in history. Sir George got a reputation as a prophet when he called the turn on the panic of 1929. There were others who were on the inside, and who were cognizant of the dastardly frame-up which was to be pulled, who could also have got a reputation as prophets had they cared to 'spill the beans.' Sir George was not so prophetically minded in 1931 when he predicted within five years 'the greatest prosperity the world has ever seen.'

"Any change downward in the value of our gold will have economically destructive effects and will cause a breakdown in wage, industrial, commercial and security price levels. Gold is the first requisite of money, and any departure from the present price standard could not occur without disastrous political and economic consequences.

"Business and industry will never return to the methods of the past. All price levels are up as the result of the change in our economic thought due to increased price of gold.

"It would be economic lunacy, and a black day for labor, were some of these so-called students of finance able to bring about a reduction in the present legitimate power of gold as the servant of commerce and industry. Gold is the bloodstream of the economic body. Economic and financial suicide would become the bed-mates of the general monetary disorder which would inevitably follow any downward trend in the value of gold. Practically all the business of the world has been adjusted to $35 gold and any change in this structure would cause prices and values to race downward.

"President Roosevelt has constructively met the changed and wider conditions by increasing the value of gold. The President's policy has been the golden key of economic recovery. The United States can do this great thing alone, and other countries will be obliged to follow. Increased population, higher standards of living, increased business demands, expenditure for war preparedness and obligations arising out of the Great War are factors which have necessitated greater currency, a currency of gold so changed as to meet present conditions.

"Some economists who have ingrown minds feel that there should be an equitable distribution of gold among the nations of the world. If Germany and Italy had such world credit as only gold can give, then the inclinations of Hitler and Mussolini toward actual war would be a much more disturbing element than presently exists.

"The panics of 1893, 1907, 1921 and 1929 were caused by the contraction of credit. The severe panic of 1893 continued hopelessly until the newly discovered mines of the South African Rand, and of Alaska, Yukon and Cripple Creek filled the void in the world's needed additional metallic money. The panic of 1929 was overcome by the increased production of gold in South Africa and Canada. That increase in production could not have taken place had it not been for the higher price level . . . a price which made possible the mining of lower grade ores. The world emerged from the greatest depression in all history because of new gold and new gold values.

"A choice of two courses lay before Britain, the United States and France . . . . maintain the steady production of gold in all countries at its present natural price level, or devalue gold and have the greatest revolutionary activities the world has ever known. The former is a constructive policy and will check war and its aggressions. The latter will destroy the religion of liberty and will create economic storms of unparalleled intensity."

Manitoba Mines Minister

Hon. J. S. McDiarmid, Manitoba minister of mines, writes:

"The immediate and local effect of increasing the price of gold on the mining industry, and through it on general business in this province, has, without doubt, been beneficial. Coming as it did at a time when the development of our gold resources was in its earliest stage the increase in the value of gold added an impetus that was immediately felt in the industry.

"We are producers and sellers of gold and the increase in the price of gold as a commercial commodity is money in the bank to us. We are selling our wheat—our once huge surplus is gone. If the purpose of currency deflation was to enable us to sell our products in the markets of the world at prices above the cost of production it would appear to have worked out as planned.

"We are warned that commodity prices are up or going up—what of it? We can sell our gold and our wheat. Wages in basic industries will follow prices. We have acquired renewed purchasing power. We can exchange our goods for others' goods. Why worry if the medium of exchange be 60 cents or 100 cents. We are again in business."

Rocking the Boat

"It is possible that there was never a time in history when the world was in greater need of a period of quiet economic reconstruction," writes Donald M. Marvin, economist of the Royal Bank of Canada. Rumors of political discontent in other countries find ready credence because it is known that the standard of living of the workers of those countries is bad. At the moment, fear is far too dominant a force throughout the world.

"In these circumstances a suggestion to change the price of gold seems much worse than futile; the suggestion itself is destructive. Early in 1937 the rumor of such a change brought about a decline in both security and commodity prices; it retarded industrial expansion and acted as a definite setback to reconstruction. At that time prices were advancing too rapidly and the effect of the rumor may have been salutary rather than the reverse. No constructive purpose, however, would be served in reviving this rumor at the present moment.

"The United States has made official announcement of an intention to maintain the present price of gold. Great Britain has been purchasing gold at present prices on a large scale. There is no basis for international co-operation in reducing the price of gold."

Chaos, Says Bain

H. R. Bain sees the solution to the problem attacked by Sir George Paish in a more even world distribution of gold rather than a reduction in its price. He says:

"Lowering the price of gold would throw the world back into chaotic conditions that the leading nations sought to avoid by depreciating their currencies. Conditions are gradually being corrected to the point where the rise or fall of the gold price will soon have been forgotten and economists will be seeking for some other controversial subject to propound their theories to the world

"The recent increase of the British Equalization Fund by £200,000,000 (this increase corresponds closely to unofficial estimates of the amount of gold still hoarded in London) to an amount of £550,000,000 is evidence that Britain does not intend to allow any drastic reduction in the gold price"

James G. Coburn, Toronto, argues: "Depreciation of currencies was the first essential step in the restoration of buying power after the crash. The period since depreciation has been one of steadily increasing economic welfare. Why then should we attempt to reverse such favorable trends? The current recovery of employment and world trade surely do not argue a return toward the monetary conditions under which both dwindled away."

News Concentrates

Argosy Gold Mines reports that production for 28 days of July amounted to $38,200. Production for the three months ended June 30, 1937, amounted to $99,391, as compared with $75,133 for the quarter ended March 31, 1937. Mill is running at about 105 tons daily.

• • •

Bagamac Mines has received payment for 25,000 shares of capital stock at 25 cents per share under agreement dated July 31, 1937.

• • •

Mufulira Copper Mines estimates profit for the three months ended June 30, 1937, at £331,550, subject to taxation.

• • •

Roan Antelope Copper reports estimated profit for the three months ended June 30, 1937, at £693,500, subject to taxation.

• • •

Shawkey Gold reports production for the six months ended June 30, 1937, at $159,764 from 23,636 tons of ore milled, an average of $6.76 per ton. Mill is currently handling about 170 tons daily.

• • •

Sudbury Basin Mines has acquired three claims adjoining its Vermillion Lake property from Treadwell Yukon Co. No work is planned at present for the property.

• • •

Red Lake Gold Shore reports that operating profit for the six months ended June 30, 1937, amounted to $75,037 after head office expenses but before provision for taxes and depreciation. Production for half-year totalled $248,424 from treatment of 26,391 tons of ore. Average recovery was $9.41 per ton, with the mill treating an average of 145 tons daily.

Sigma Mines, subsidiary of Dome Mines, reached a new high in production for the month of July, output being valued at $107,436, compared with $94,110 in the preceding month and $81,815 in May. During July the mill handled 14,066 tons of ore grading $7.87, and at the end of the month the mill was handling 480 tons daily.

• • •

Siscoe Gold Mines has declared the regular quarterly dividend of five cents per share, payable Sept. 15 to shareholders of record Aug. 31.

• • •

South American Gold & Platinum reports that during the six months ended June 30, 1937, its subsidiaries produced 21,817 oz. crude gold and 8,961 oz. crude platinum. Profit equalled about 22.4 cents per share. Consolidated net income amounted to $395,369, before provision for surtax on undistributed profits.

• • •

Kirkland Gold Rand has its new electrical hoist at the winze on the 800-foot level now in operation. Hoist was installed to develop important sections encountered by diamond drilling below the 800-foot level. Company proposes to sink the winze, now 250 feet below the 800-foot level, an additional 125 feet, and then to resume lateral work.

• • •

Sladen Malartic Mines is now ordering equipment for the initial 250-ton unit on its property in Cadillac and Senneville twps., Quebec. Provision will be made for enlargement to 1,000 tons daily, reports Andrew Walz, consultant. Excavation for the mill foundations has begun.

• • •

Young-Davidson Mines milled 27,285 tons of ore during July, recovery being 2,757.18 oz. gold valued at $96,779. Total operating expenses for the month were $58,509, leaving a profit of $38,270, best figure yet reported for the mine. In July the mill handled an average of 910 tons daily.

Income Equities May Discontinue

Deficit of $1,396 Shown and Unpaid Liabilities

Shareholders of Income Equities, Ltd., are meeting on Aug. 25, 1937, to consider the surrender of the company's charter and the transfer of securities to a trustee.

The company's assets consist of oil royalties and Denison, Holcomb & Armstrong, auditors, have been endeavoring to ascertain the exact value of the 20 mineral deeds held representing interests in as many oil properties. These are carried on the company's books at $52,841, but no depletion has been written off against the assets. As a result of their investigation of the company's affairs, Denison, Holcomb & Armstrong recommend surrender of the charter.

During the fiscal year ended May 31, 1936, net revenue was $3,049, while dividends paid totalled $4,148. This compares with net revenue of $2,757 and dividends of $3,276 in the year ended May 31, 1937. Preferred shareholders have been receiving dividends at the rate of 6% out of income from the oil royalties.

Balance sheet as at May 31, 1937, shows cash of $23 and securities of $52,864. Other assets consist of organization expenses of $6,751. A deficit of $1,396 is shown. Unpaid liabilities total $1,216. Outstanding capital includes 5,927 preferred shares of $10 par value and 760 common shares. The auditors state that 200 preferred shares have been redeemed at $10 a share but give their opinion the correct procedure was not followed.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Convinced that in the valley of Rainy River, oil, gas, or both may be found, a determined effort is being made, principally by inhabitants of the valley, to do some well boring that will, they hope, prove their claims.

Under the aegis of the Pine River Development Co. two wells were put down, both of which, through faulty drilling, had to be abandoned. Both, it is said produced evidence of the presence of both oil and gas. A third is now down about 1,000 ft., at which depth the bit became lodged in the hole. "Fishing" is going on.

A second company, Lake of the Woods Oil and Gas Co., controlling about 7,000 acres by leases, has been formed and plans to start drilling about two miles from the town of Rainy River.

• • •

Water Levels

Water levels in the Churchill River at Island Falls, where the Churchill River Power Co. operates a nearly 70,000-h.p. plant for the Hudson Bay Mining and Smelting Company, are about seven feet below average. To counteract this situation, the company has received permission to place a dam at Reindeer Lake, and it is anticipated this will bring the water level in the Churchill River to the required height and also that with the dam in operation it can be readily controlled in high as well as low water seasons. About 100 tons of materials are being flown in from the end of steel at Flin Flon. About 50 men are engaged in the work.

• • •

Flin Flon Plant

If Flin Flon Gold Mining Company's efforts to raise $100,000 are successful, immediate start will be made upon a smelting plant to handle the arsenical ore which forms the main body of the mine. This plant, will cost approximately $100,000, it is said, and will handle around 100 tons per day.

Your Mining Stocks

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Wendigo Gold Mines

Your comments on the outlook for Wendigo Gold Mines will be much appreciated.

Wendigo Gold Mines, developing a gold prospect in Lake of the Woods district, Ontario, has lately secured encouraging results from underground work, and reports an operating profit of approximately $6,000 for July. Mill capacity is to be increased from 60 to about 100 tons daily.

Indicated ore above the 500-ft. level has been estimated at 40,000 tons, grading $12 and averaging about 3 ft. in width. Wendigo is capitalized at four million shares, of which 3,263,109 were outstanding as at May 1, 1937. At that time current assets were shown at $40,453, and liabilities showed a balance on contract for mill machinery of $13,861. Recent results appear to have improved outlook.

Quebec Manitou Mines

I have heard a great deal about Quebec Manitou, and should be glad if you would outline for me the situation at this property.

Drilling at Quebec Manitou Mines Ltd., in Bourlamaque Twp., Quebec, outlined an ore body carrying values in zinc, gold and some silver. The company is now starting on a shaft to a depth of over 500 feet to establish three levels.

While this prospect has responded satisfactorily to preliminary work, it will remain a speculation until actual contact has been established with the ore body by underground work. Values obtained to date indicate that the ore body is commercial, provided that zinc prices remain at approximately their present level. The company is backed by responsible men and the stock was well sponsored by Draper Dobie & Co. of Toronto. Authorized capitalization is $3 millions in $1 par value shares, of which $1,996,305 are outstanding.

Numaque Mining

As a shareholder of Numaque Mining I should like to have your comments on its chances.

Numaque Mining Co. has done considerable surface work on its property adjoining Sigma Mines on the north in Bourlamaque twp., northwestern Quebec. Inconclusive results were obtained from drilling, although an extensive programme was carried out early this year. Read-Authier took over management of Numaque in April last, and it was then decided to suspend drilling to make a careful survey of results in previous drilling. After this is completed the company will decide on its future course. Numaque stock was offered by W. C. Pitfield & Co. at 60 cents a share.

Moneta Porcupine

Please give me what information you have available on Moneta Porcupine, a property in which I am interested.

Moneta Porcupine Gold Mines, developing a gold prospect adjoining Hollinger in Porcupine area of Ontario, is installing a 200-ton mill, to be in production early in 1938. Drilling results to date indicate an ore body about 300 ft. long, averaging about 20 ft. in width, with grade of approximately $20 per ton to a depth of at least 300 ft. To this is added an ore body on the south grading about $14, 4-5 ft. wide and extending for a further 200 ft.

Company is in capable hands and has had considerable encouragement in work done so far. It is capitalized at three million shares, of which 2,542,815 were outstanding June 4, 1937. In company's financial statement for year ended March 31, 1937, current assets were $580,806; accounts and wages payable $12,505. Surplus arising from net profit on sale of securities amounted to $147,257.

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Textile Plants Resume Work

Settlements End Strikes in Three Ontario Plants

Production operations were gradually being restored to normal this week in a number of the textile plants in Ontario and Quebec which have been tied up by strikes.

In Ontario, strike settlements resulted from intervention of Premier Hepburn and the provincial Industry and Labor Board, while in Quebec, partial production was achieved through back-to-work, strike breaking movements initiated by the Dominion Textile Co. at three of its four Montreal plants. No attempt is being made for the present to reopen five plants elsewhere in the province of Dominion Textile and its affiliate, Montreal Cottons Ltd., also affected by the walkout of National Catholic unionists.

Agreements Made

Agreements between managements and strikers, negotiated by Ontario Government officials, ended strikes at plants of Dominion Woollens and Worsteds Ltd., Peterborough (two mills, 700 workers); Canadian Cottons Ltd., Cornwall (three mills, 1,200 workers); and The John B. Stetson (Canada) Co., Brockville (225 workers). As hat manufacturers, the Stetson company is classified as a unit of the secondary textile industry.

Operations transferred by the Stetson firm to Prescott, Ont., and Marieville, Que., will presumably be resumed in Brockville.

In all three cases, strikers failed to win the wage increases and union recognition for which they quit work—in Peterborough for seven weeks, at Cornwall for nearly a month, and at Brockville, eight weeks. At Peterborough and Cornwall company officials and workers agreed instead to abide by the minimum wage findings, retroactive to the date of resumption of work, to be set by the Industry and Labor Board after its enquiry into conditions at these and other textile plants in Ontario.

In the Stetson case, wage levels are to be determined by a code under the Industrial Standards Act. It is hoped the agreement necessary for such a code can be obtained among a majority of employers in the zone involved.

No Discrimination

Employees are to be represented, in discussion of grievances and other relations with the companies, by delegates from various departments chosen by elections under supervision of the provincial labor department. The companies have undertaken, however, to exercise no discrimination against workers, in rehiring employees and in other respects, because of participation in the strikes or trade union membership. Minor concessions as to working conditions and methods of wage payment have been granted.

Efforts by Quebec Government officials to settle the Dominion Textile strike on a similar basis have failed, leaders of the National Catholic textile syndicate insisting on an agreement with the company under the Collective Labor Agreements Act, covering all nine plants affected by the walkout.

Also tied up by strikes are the Acton Vale (Que.) Silk Mills (250 workers) and the plant of the M. E. Binz Co. at Montmagny, Que., 400 silk workers.

Reply to Criticism

The week was also featured by issuance of a reply by the management of Canadian Cottons Ltd. to severe criticism of the wage scales and working conditions applicable to employees in its three Cornwall mills. The criticism appeared in a Toronto newspaper, both in a prominently displayed news story interview with the head of the union which promoted the recent strike at Cornwall, and in a vigorously worded editorial the next day.

Allegations that a thousand men were "lucky to get $12 a week the year round" and that a 60-hour working week was a common thing at the mills, were flatly denied by the company in a letter by R. G. Tolmie, general manager. The letter also pointed to glaring inaccuracies and overstatements in the assertions made in regard to the amount of work required of employees and the plant conditions under which they operate.

The publisher of the paper was invited to visit the mills and examine the pay records for himself.

PRESIDENT

New president of the Canadian Weekly Newspapers Association is George W. James, editor of The Canadian Statesman, Bowmanville, Ont. A son of the late M. A. James whom he succeeded as editor of The Canadian Statesman in 1919, Mr. James was elected president of the C.W.N.A. at the association's annual convention in Halifax.

B.C. Probe Representative Has Passion for Fairness

By Charles Shaw

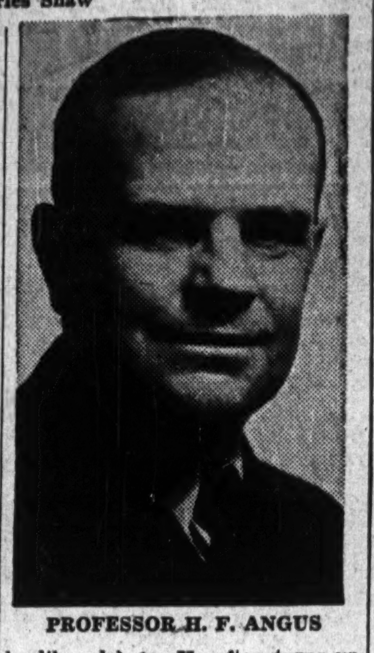
VANCOUVER.—British Columbia's representative on the Royal Commission on Dominion-provincial relations is a methodical, quiet-spoken legally-minded professor of economics who doesn't mind telling exactly where he stands even on the most controversial issues.

Prof. Henry F. Angus will not only represent the western viewpoint when the commission begins its fact-finding deliberations. He may be expected to take a lively part in the proceedings regardless of the subject under consideration, for he has a wide acquaintance with conditions throughout Canada and loves an argument.

If there is any really thoroughly contentious question in British Columbia it is enfranchisement of Orientals. There has been so much Asiatic competition in almost every line of business and industry that anyone who publicly suggests giving the yellow races increased privileges instantly becomes a marked man. Yet Prof. Angus has continued to speak in behalf of votes for Orientals regardless of criticism, and he has presented a strong logical case in favor of it.

The professor has a judicial mind. Sometimes he piles up the pros and cons of an issue so carefully and so convincingly that it's almost impossible to tell on what side he is on, if indeed he does favor one or the other. Trying to be fair is a passion with him.

He belongs to no religious denomination and no political party. But he likes debate. He often turns up at political meetings and occasionally speaks just because he is irritated by the lack of judgment displayed by the regular platform spellbinders. He used to go down to the City Mission in Vancouver and hold forth before Socialists and Communists, where he was heckled as much as he was applauded but had a very good time.



PROFESSOR H. F. ANGUS

Ottawa - Berlin Pact

German Businessmen Pleased With Effective Working of Trade Treaty

By MURRAY R. CHIPMAN
Eastern Manager, The Financial Post

BERLIN.—I have found informed German business opinion very well pleased with the effective working out of the Canadian-German trade agreement negotiated by the Hon. W. D. Euler, Minister of Trade and Commerce last fall. Canada should be equally pleased. We had an unfavorable trade balance for the 12 months ending Sept., 1936. Canadian imports from Germany were valued at $10,716,631. Canadian exports to Germany were valued at $5,745,021. The present position, as indicated by the German figures given me in Berlin, is as follows:

Exports to Canada	Month	Imports from Canada
$1,250,000	Nov. 1936	$375,000
850,000	Dec. 1936	500,000
,375,000	Jan. 1937	102,500
500,000	Feb. 1937	650,000
500,000	March 1937	350,000
400,000	April 1937	675,000
575,000	May 1937	700,000
$4,450,000		$3,352,500

Plan Working Out

It is apparent that the basic principle of the trade agreement is being carried out, namely, that Germany will buy as much from Canada as we buy from her. In practice, this means that all of the foreign exchange accruing from Germany's exports to Canada is placed aside for the purchase of Canada's products. This arrangement has simplified the difficulties that German importers previously suffered in obtaining exchange permits and that hampered Canadian exporters and that arose out of the German system of exchange and import control.

Germany's exports to us, of course, are manufactured products. Our exports to her include lumber, wood pulp, metal, wool, skins, furs, asbestos, wheat, apples, fish products, etc.

It will be recalled that much of Nova Scotia's surplus apple crop came to Germany last fall as did the available surplus of frozen eels from Quebec as well as some of the British Columbia salmon pack.

It is of considerable interest that the major item in Germany's increased imports from us this year is nickel. I learned, too, that not all of the imports appear in Germany's statistics, at least immediately. A purchase of $1 million worth of Canadian wheat, not yet recorded, is an example. Some of this shipment is believed to have gone to Spain.

Foreign Exchange Ear-marked

It is worth noting that the Canadian-German trade agreement has one provision not in effect in any other agreement. This is that Germany agrees to allocate fixed percentages of the available foreign exchange from Canada's exports for the purchase of specified Canadian commodities and in specified quantities. For example, 35% is set aside for the purchase of Canada's wheat and 8% for asbestos with no limitation as to value in either case; 5% is to be allocated for fresh apples to maximum value annually of $600,000, and 7% to fish and fish products up to a top value of $410,000.

What of raw materials and colonies? What will Germany's attitude be?

If one could guess the answer to that question one might solve the riddle of the peace of Europe.

I listened to Dr. Schacht speak in his address of welcome to the delegates to the International Chamber of Commerce Congress in Berlin. These were his words in part:

"You also intend to deal with the question of economic activities in the course of your discussions. If you secure to each nation its food and employment by means of honest money and an honest division of raw materials then you automatically put an end to economic nationalism and all so-called self-sufficiency endeavors . . ."

"Economic nationalism only arises where the natural conditions of life have been cramped by external forces. If you possess rubber plantations you do not spend your money on building 'Buna' factories."

Demands for Colonies Persist

Or listen to General Goering speaking on the same occasion:

"You may be sure that Germany will continue to bring up the colonial problem until its urgent and legitimate desires as regards colonies are fulfilled . . . After the terrible sufferings the German people had to endure during and after the war we decided to rely on ourselves in so far as the production of indispensable raw materials was concerned and thus to assure our independence . . . It is impossible that certain nations should be reduced to a condition of economic and financial dependence owing to the monopolies detained by others . . ."

What is the answer? Here is one given to me by a foreign resident in Germany:

"In my opinion the German leadership is using the raw materials and colonial demand as a counter-irritant. It is doing this for two reasons. First, to consolidate its position with the German people and, secondly, to create in British public opinion a sympathetic attitude toward Germany's problems. Then when Germany moves into central Europe, the British will take no action because, after all, that would be a better solution from an Empire viewpoint than a Germany re-established in Africa."

How Strong Is Leadership?

How strong is the National Socialistic leadership today? Two years ago a leading German citizen said this to me:

"The real test of National Socialism will come within the next three to five years. . . . The German people who are now asked to be patient may become restive. Then we may see the Nazi leadership show its weakness by a display of strength which unfortunately may take the gamble of active aggression against other nations . . . against the real, or fancied, wrongs of those outside nations who will be said to be depriving Germany of her necessities for economic stability."

Here is the appraisal made by the same man when he talked to me in Berlin a few days ago

"No, the German worker has not become restive. True, his wages have not increased (although there has been some improvement in wages with the skilled worker through overtime and bonuses, especially in the rearmament works.) But the German likes to make comparisons. As yet he is convinced that he is no worse off than the 'wage slave' in Russia or the worker in chaotic France or strike-torn America. And he is constantly reminded of the sorry plight of the worker elsewhere. The propaganda machinery does that almost weekly, you can be sure."

"As long as there is no marked differentiation in his prosperity as compared with workers in other countries, I think National Socialism can be sure of the worker."

"There is a good deal of passive resistance. For instance, the political representative in my shop will call a meeting for after hours and he usually gets far from a full attendance."

Coming back to the question of leadership, he said that while there were some vicious men among the leaders he personally felt that war was unlikely if wiser counsels prevailed. The army leaders were calm and not likely to be stampeded.

Another Side of the Story

But another observer whose knowledge of the German scene is also long and intimate and whose judgment I would respect highly, was not so optimistic.

Said he in part: "Germany is blessed with a civil service which is second to none in its high average of capability and devotion to duty particularly among its seniors. The army leadership is excellent and they are realists.

"On the other hand, the average leader in the National Socialist party is low in capacity and certainly in experience. He is fully capable of carrying out instructions as arbitrarily as may be required of him but he is usually too new to power to do it tactfully.

"For instance, I have found a number of tenant farmers resentful of being reduced to serfdom. They are told what they must raise on their farms and what they must do with their products. That is bad enough. But to be instructed by one of their own who may have gone into politics because he failed as a farmer is most galling.

"Then there is this church question which is Hitler's most difficult problem. Mussolini came to terms with the church. Hitler sincerely would like to but his problem is more difficult. It is the most disintegrating force which National Socialism has to face."

Haunting Misgivings

I came away from Germany this time with haunting misgivings for the future. Germany's Four Year Plan is a construction job that is being rushed too fast. It seems so difficult to believe that the flimsy structure will not topple over before the final rivetting and welding are done. So great are the tensions being created Germany is in a state of national hypnosis which is emotional and, hence, incalculable in its ultimate expression.

We come to the final paradox. On the one hand we see a people whom we can admire and respect and as Sir Neville Henderson, the new British Ambassador to Germany said recently, "people from whom we have much that is valuable to learn in social organization." On the other hand, there appears to be a relentless growth of forces which in the end may even destroy those who are creating them. The rôle of the outsider is to be patient, to cooperate in reviving the economic pressures—and to be prepared for the worst.

Power Project For Kootenay

100,000 h.p. Development Will Complete Harnessing of River

From Our Own Correspondent

VANCOUVER. — West Kootenay Power Co. intends to proceed with a new hydro-electric project to develop about 100,000 horsepower. Most of the power will be used by the Kootenay country's extensive mining operations. The company is a subsidiary of Consolidated Mining and Smelting Company.

The project will complete West Kootenay's development of Kootenay River power. Four other dams and power stations along the river already develop 220,000 horsepower.

Manager Lorne Campbell's surveys have shown that by controlling the last few feet of fall in the river at present undeveloped, he can increase his power output about one third. Then every foot of fall in the river will be harnessed—a development probably unique in America.

Recent expansion of Consolidated Mining & Smelting Company's operations due to improved markets for lead, zinc and other base metals is regarded as the chief factor in bringing about the new power programme at this time.

Acadia Coal Co. Outlook Poor, Commission Told

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel & Coal Co., operators of Acadia Coal Co., "see no light" for improvement of the situation in the future, according to a statement made by company solicitor Charles Smith, K.C., at the opening of the Royal Commission to investigate the financial set-up of the coal company.

The three-man commission, appointed by the Nova Scotia Government at the request of employees after they were refused wage increases that would bring their paycheques in line with those of other coal companies in the province, opened the hearing at New Glasgow.

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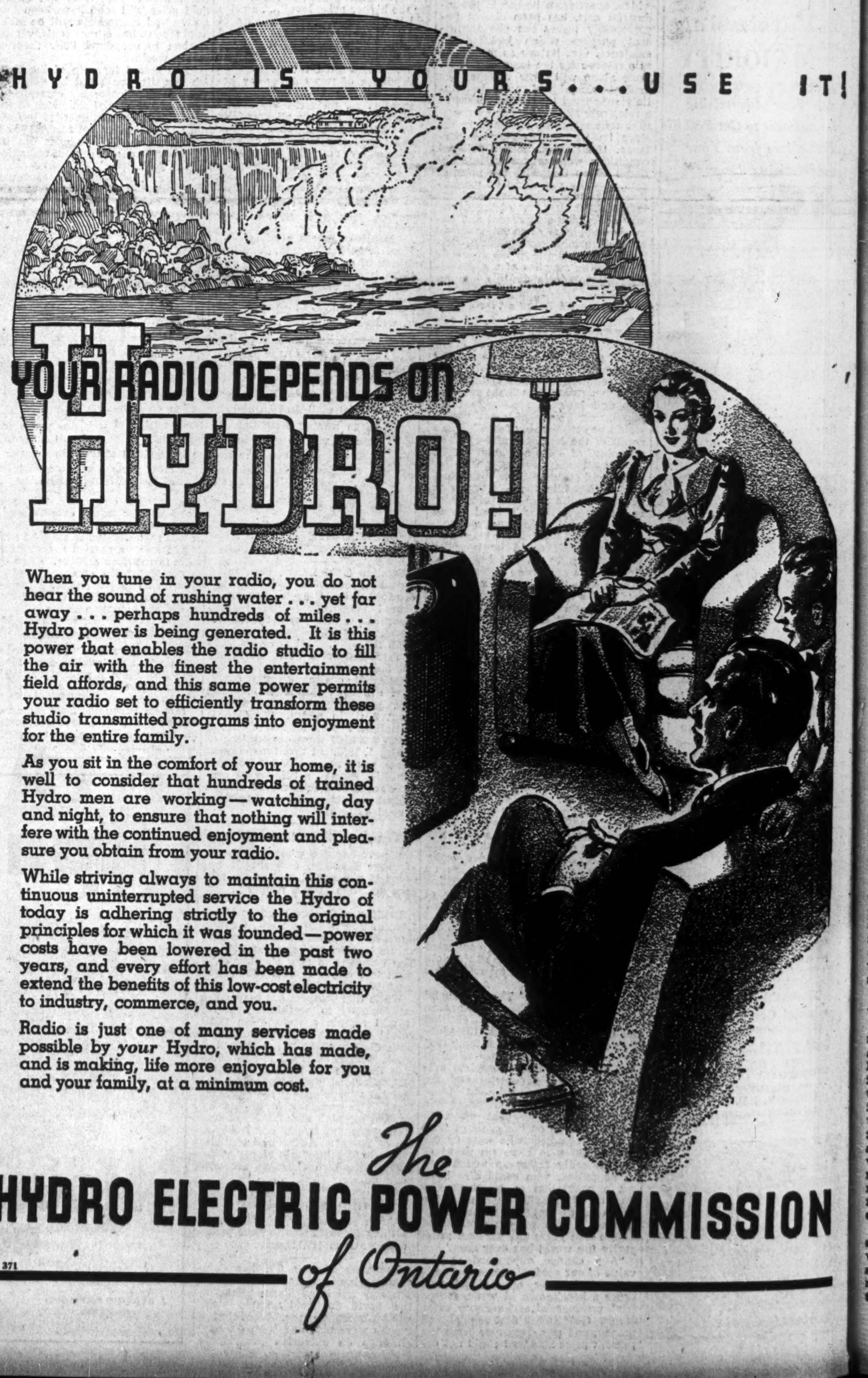
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